

## SENATE

## DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1995

July 29 (legislative day, July 20), 1994.-Ordered to be printed

Mr. Inouye, from the Committee on Appropriations, submitted the following  
REPORT  
[To accompany H.R. 4650]

The Committee on Appropriations, to which was referred the bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes, reports the same to the Senate with amendments and recommends that the bill as amended do pass.

## New obligational authority

Total of bill as reported to Senate	\$243,414,029,000
Total of 1995 budget estimate	244,711,179,000
Amount of bill as passed by House	243,564,292,000
Amount of fiscal year 1994 enacted	240,544,945,000
The bill as reported to the Senate:	
Below fiscal year 1995 budget estimate	-1,297,150,000
Over enacted appropriations for fiscal year 1994	+2,869,084,000
Below the House passed bill	+150,263,000

## BACKGROUND

## PURPOSE OF THE BILL

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1994, through September 30, 1995. Functional areas include the pay, allowances, and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing, nuclear warheads, and civil defense are provided in other bills.

In its examination of the President's budget for defense appropriations the Committee has made a deliberate effort to review funding requests within the context of the national security objectives they are

intended to serve. The Committee believes that presenting requests for defense appropriations or considering individual weapons systems or force structures without reference to the ends they are intended to serve is to rob them of any intelligible meaning. We have, therefore, sought the views of policymakers in the executive branch and outside experts. That defense policy should be considered in such a way was the intent of the National Security Act of 1947, which created what was then known as the National Military Establishment and what came to be known as the Department of Defense.

#### NATIONAL FOREIGN INTELLIGENCE BUDGET AND RELATED BUDGETS

The Committee has reviewed the National Foreign Intelligence Program budget, the intelligence-related activities budgets, and special access program budgets which are funded in this bill. The results of the Committee's review are made available in a separate classified annex as an integral part of this bill, and further explained in a classified report accompanying the bill. The intelligence community and the Department of Defense are expected to comply fully with the provisions of the classified annex, and the recommendations and directives in its accompanying report.

The Committee wishes to commend the Directorate of Special Programs and the Comptroller within the Office of the Secretary of Defense, as well as the budget and comptroller entities for each of the armed services, for their efforts to ensure proper notification of actions taken by the Committee that affect special access programs. Timely notification of Committee actions taken regarding special access programs is a crucial step in the appropriation process and the Committee appreciates the level of diligence required to accomplish this activity.

#### REPROGRAMMING PROCEDURES

The Committee recommends the continuation of section 8005 regarding prior approval reprogramming procedures and the use of transfer authority.

#### EXECUTIVE COMPENSATION

The conferees on the Fiscal Year 1993 Defense Appropriations Act expressed their concern with compensation of defense executives. Last year, the Committee reiterated its concern with this subject. The Committee notes that, in its report to the Committee, the Defense Department cited many examples where it had to deny several industry attempts to charge executive compensation at levels which can only be characterized as outrageous. Recent published articles note compensation payments to certain aerospace officials in excess of \$7,000,000. The Committee continues to believe these multimillion dollar taxpayer financed payments need to be reconsidered. As such, it repeats its admonition. The defense industry is shrinking. Workers are being laid off, and Congress and the executive branch are seeking several methods to ease the transition of defense industry and its employees. This is not the time to reach new heights in defense executive compensation packages.

The Committee still believes reform is needed in executive compensation. It emphatically states its position that DOD should not allow costs charged to the Government for any individual to exceed what the Government is itself prepared to pay its own senior executives, for example, Cabinet officials.

The Defense Department responded to the Committee's request to submit legislation on this matter stating its view that defense contractor salaries were not overly generous. The response from the Defense Department provided no justification for this position. The Committee rejects this conclusion categorically. Therefore, the Committee is recommending section 8117 to rectify this inequity. This provision would no longer allow defense contractors to bill the Government for compensation of its employees at rates in excess of that paid to the Secretary of Defense. While contractors would be free to pay salaries at any level, up to the multimillion dollar salaries which have become common in American industry, they would have to do so from corporate profits, or from other revenues. Contractors could no longer charge the taxpayers for these exorbitant salaries. The Committee knows of no other way to react to the Defense Department's inaction and the continuing levels of excessive compensation. If enacted, this provision would take effect on April 15, 1995.

## HEARINGS

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1994 budget request on March 1, 1994, and concluded them on July 12, 1994, after 16 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, and other Federal agencies. Approximately 1,309 pages of transcript were taken, the unclassified portions of which constitute the four-volume public record of testimony on this budget request.

## SUMMARY OF THE BILL

The Committee considered a total fiscal year 1994 budget request of \$244,711,179,000 in new obligational authority for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense. The following table displays the major recommendations:

[In thousands of dollars]

	Fiscal year 1994 enacted	Fiscal year 1995 request	Committee recommendation
Title I-Military personnel	70,624,044	70,475,397	70,445,512
Title II-Operation and maintenance	76,616,787	81,926,891	81,361,358
Title III-Procurement	44,663,078	42,698,919	42,708,049
Title IV-Research, development, test, and evaluation	35,191,491	36,225,013	35,405,174
Title V-Revolving and management funds	2,643,095	1,777,638	1,618,000
Title VI-Other Department of Defense programs	11,021,820	11,329,706	11,239,360
Title VII-Related agencies	403,588	305,384	361,584
Title VIII-General provisions	-618,958	7,131	104,982
Title IX-Fiscal year 1994 supplemental appropriations		270,000	170,000
Procurement: General provisions		-304,900	
(Additional transfer authority)	(2,500,000)	(2,000,000)	(2,000,000)
Total, Department of Defense	240,544,945	244,719,979	243,414,029

## BUDGET SUMMIT AGREEMENT AND 602(B) ALLOCATION

The Appropriations Committee conformed fully to the budget resolution for defense spending in its 602(b) allocation. This allocation divided the budget authority and outlays among the subcommittees with jurisdiction over discretionary spending. The Defense Subcommittee has the far greatest share of defense spending. In this recommended bill, the Appropriations Committee has remained within the tight constraints of its 602(b) allocation for defense.

## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO  
SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

Budget authority		Outlays	
Committee allocation	Amount of bill	Committee allocation	Amount of bill

Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the First Concurrent Resolution for 1995: Subcommittee on Defense:

Discretionary	243,432	243,430	250,515	<sup>1</sup> 250,276
Mandatory	198	198	198	<sup>1</sup> 198

Projections of outlays associated with the recommendation:

1995				<sup>2</sup> 163,994
1996				45,801
1997				17,407
1998				7,705
1999 and future year				8,137

Financial assistance to State and local governments for 1995 in bill NA NA

<sup>1</sup>Includes outlays from prior-year budget authority.

<sup>2</sup>Excludes outlays from prior-year budget authority.

NA: Not applicable.

## TITLE I

### MILITARY PERSONNEL

Funds appropriated under this title provide for pay and allowances, permanent change of station travel, and various other personnel costs for uniformed members of the Armed Forces. The Committee recommends an active duty military personnel level of 1,525,508 for fiscal year 1995. This is 184 below the budget estimate and the House allowance. The Committee recommends a Reserve and National Guard personnel level of 979,381 for fiscal year 1995. This is 384 above the level requested in the budget estimate and is 319 above the House allowance.

A total of \$70,475,397,000 is requested in the President's fiscal year 1995 budget for military personnel appropriations. This request includes \$61,179,303,000 for active duty forces and \$9,296,094,000 for the Reserves and Guard.

### SUMMARY OF COMMITTEE ACTION

The Committee recommends appropriations totaling \$70,445,512,000 in title I, military personnel, for fiscal year 1995. This amount is \$29,885,000 below the budget estimate and \$447,990,000 below the House allowance.

Committee appropriation recommendations are displayed in the following table:

### SUMMARY OF MILITARY PERSONNEL APPROPRIATIONS, TITLE I [In thousands of dollars]

	1995 budget estimate	House allowance	Committee recommendation	Committee compared with- 1995 budget estimate	House allowance
Active Force:					
Army	20,601,170	20,737,470	20,629,770	+28,600	-107,700
Navy	17,580,983	17,692,537	17,638,483	+57,500	-54,054
Marine Corps	5,778,571	5,816,671	5,806,471	+27,900	-10,200
Air Force	17,218,579	17,311,379	17,031,179	-187,400	-280,200

Subtotal	61,179,303	61,558,057	61,105,903	-73,400	-452,154
Guard/Reserves:					
Army Reserve	2,174,520	2,183,620	2,178,620	+4,100	-5,000
Navy Reserve	1,392,409	1,398,609	1,418,723	+26,314	+20,114
Marine Corps	353,948	354,048	351,098	-2,850	-2,950
Reserve					
Air Force Reserve	781,383	782,434	774,834	-6,549	-7,600
Army National	3,360,505	3,378,705	3,371,605	+11,100	-7,100
Guard					
Air National Guard	1,233,329	1,238,029	1,244,729	+11,400	+6,700
Subtotal	9,296,094	9,335,445	9,339,609	+43,515	+4,164
Total, military personnel	70,475,397	70,893,502	70,445,512	-29,885	-447,990

The following table summarizes adjustments to the 1995 manpower request for Active, Guard, and Reserve Forces.

	RECOMMENDED END STRENGTH			Committee compared with-	
	1995 budget estimate	House allowance	Committee recommendation	1995 budget estimate	House allowance
Active Force:					
Army	510,000	510,000	510,000		
Navy	441,641	441,641	441,641		
Marine Corps	174,000	174,000	174,000		
Air Force	400,051	400,051	399,867	-184	-184
Subtotal	1,525,692	1,525,692	1,525,508	-184	-184
Guard/Reserves:					
Army Reserve	242,000	242,000	242,000		
Navy Reserve	100,710	100,710	101,094	+384	+384
Marine Corps	42,000	42,000	42,000		
Reserve					
Air Force Reserve	78,706	78,771	78,706		-65
Army National	400,000	400,000	400,000		
Guard					
Air National	115,581	115,581	115,581		
Guard					
Subtotal	978,997	979,062	979,381	+384	+319
Total, military personnel	2,504,689	2,504,754	2,504,889	+200	+135

#### FULL-TIME SUPPORT STRENGTHS

The Committee recommends Guard and Reserve full-time support end strength of 134,798 for fiscal year 1995. This is 764 above the budget estimate and 636 above the House allowance.

The following table summarizes adjustments to the 1995 Guard and Reserve full-time support end strength.

#### GUARD AND RESERVE FULL-TIME END STRENGTHS

	1995 budget estimate	House allowance	Committee recommendation	Committee compared with- 1995 budget estimate	House allowance
Army Reserve:					
AGR	11,940	11,940	11,940		
Technicians	7,004	7,004	7,004		
Navy Reserve TAR	17,510	17,510	18,090	+580	+580
Marine Corps Reserve	2,285	2,285	2,285		
Air Force Reserve:					
AGR	648	648	648		
Technicians	10,295	10,423	10,295		-128
Army National Guard:					
AGR	23,650	23,650	23,650		
Technicians	27,394	27,394	27,394		
Air National Guard:					
AGR	9,098	9,098	9,282	+184	+184
Technicians	24,210	24,210	24,210		
Total:					
AGR/TAR	65,131	65,131	65,895	+764	+764
Technicians	68,903	69,031	68,903		-128

#### PAY RAISE

The President's fiscal year 1995 budget request recommends a 1.6-percent pay raise for military personnel. The Committee believes that military personnel should received the full 2.6-percent pay raise authorized under current law. Accordingly, the Committee identifies offsets from elsewhere within the Department of Defense budget request for fiscal year 1995, recommends a full pay raise of 2.6 percent, and increases the President's fiscal year 1995 budget request by \$465,000,000.

#### OFFICER WORK-YEARS

The Army, Marine Corps, and Air Force have overstated the number of officer work-years in fiscal year 1995. The Navy's officer work-years are calculated consistent with the standard work-year methodology that has historically proven to be sound. The Committee encourages use of the standard methodology for work-year calculations in all the military personnel accounts and proposes that the services implement policies that align the pace of end strength increases and decreases with the work-years expected using the standard methodology. The Committee recommends reducing the budget request by a total of \$90,700,000.

#### OFFICER AVERAGE RANK

In the Army and Navy military personnel accounts, the average officer rank requested in fiscal year 1995 exceeds the actual fiscal year 1993 average officer rank. Force shaping tools such as the voluntary separation initiative [VSI], the special separation bonus [SSB], and the 15-year retirement option should allow the services to manage reductions in the officer corps to prevent growth in the average rank. Neither the Marine Corps nor the Air Force average rank is growing over this period. The Committee recommends that, in the

process of downsizing, the Army and Navy use the force shaping tools available to them to ensure that the average officer rank in fiscal year 1995 does not exceed the average officer rank experienced in fiscal year 1993 and reduces the budget request by a total of \$69,800,000 accordingly.

#### RETIRED PAY ACCRUAL/SOCIAL SECURITY CONTRIBUTIONS

Estimates for retired pay accrual and Social Security tax (employer's contribution) are included in the President's fiscal year 1995 budget request at 35.5 percent and 7.65 percent, respectively, of the estimates for basic pay. Adjustments for officer work-years and officer average rank reduce the amount of contributions that need to be made for retired pay accrual and Social Security tax and the Committee recommends a reduction of \$69,100,000 accordingly.

#### DISABILITY SEVERANCE PAY

Disability severance pay is authorized to members on active duty who are discharged because of physical disability and who have less than 20 years of service and less than 30 percent disability. The President's fiscal year 1995 budget request indicates that a greater percentage of the force is expected to receive disability severance pay in fiscal year 1995 than in recent fiscal years. In the absence of conflict or any anticipated event that might result in an increase to disability severance pay requirements, the Committee believes that the budget should reflect the estimated number of personnel receiving disability severance pay will decline in proportion with the force structure drawdown that is planned. The Committee, therefore, recommends reducing the budget request by a total of \$6,400,000.

#### UNEMPLOYMENT COMPENSATION

The Department of Labor provides statistical data based on prior history and future projections for use by the services in development of unemployment compensation estimates. The Marine Corps has assumed in its fiscal year 1995 budget estimates that the current unemployment compensation entitlement of 26 weeks will decrease to 13 weeks. There is no basis for this assumption and no other service made this assumption in the development of unemployment compensation estimates. The Committee recommends increasing the Marine Corp estimate by \$14,000,000 consistent with the continuing unemployment compensation entitlement of 26 weeks.

#### ENLISTED BASIC ALLOWANCE FOR QUARTERS

A formula error in calculation of the effect of pay raise on enlisted basic allowance for quarters [BAQ] results in an overstatement of requirements for the Air Force. The Committee recommends the estimate for enlisted BAQ be revised to reflect the corrected calculation and reduces the budget request by \$20,800,000 accordingly.

#### INCENTIVIZED LOSSES

The Air Force fiscal year 1995 budget estimates include a greater number of incentivized enlisted personnel reductions than is required to achieve the planned enlisted personnel reduction. Special separation bonuses, voluntary separation initiative, and 15-year retirements are required only to augment normal losses, not as a bonus for personnel leaving anyway. The Air Force budget estimates for fiscal year 1994 plan to incentivize 4,593 enlisted losses, 30 percent of the total enlisted losses in that fiscal year. The fiscal year 1995 plan calls for 16,629 incentivized enlisted losses, 74 percent of the total enlisted losses in that fiscal year. It should not be necessary to incentivize three out of every four losses. Reducing the estimate for incentivized losses by 50 percent will still allow significant growth above the fiscal year 1994 level and should not impede achievement of the fiscal year 1995 enlisted personnel reduction. The Committee recommends a reduction to the appropriation of \$223,200,000 to account for this reduction in incentivized losses in fiscal year 1995.

#### SPECIAL SEPARATION BONUS

The "Bottom-Up Review" calls for a Marine Corps force level of 174,000 in fiscal year 1996. However, the Marine Corps plans to achieve this force level in fiscal year 1994 and sustain it thereafter. With the achievement of a steady state force level in fiscal year 1994, the Marine Corps should not rely on any of the force shaping management tools such as the budget estimate in fiscal year 1995 for special separation bonuses. Balancing and shaping the force at a steady state force level should be achieved through the offering of enlistment and reenlistment bonuses, special pays, and through the promotion process. The Committee recommends reducing the Marine Corps budget request for fiscal year 1995 by the \$18,000,000 included for special separation bonuses.

#### NURSE ANESTHETIST PAY

The Committee supports the recommendation of the Senate Armed Services Committee that provides authority to pay incentive special pay to military certified registered nurse anesthetists to a maximum of \$15,000 so that the Department can effectively compete for this critical professional resource. At present, certified registered nurse anesthetists can earn far more as civilians than as military personnel, and the compensation gap continues to increase. The Army and Air Force fiscal year 1995 budget estimates included special pay at the \$6,000 level for nurse anesthetists. The Navy budget included nurse anesthetist special pay at the \$15,000 level. The Committee supports the increase in nurse anesthetist incentive special pay to the \$15,000 level and increases the President's budget request by \$5,100,000 for Army and Air Force.

#### FLIGHT DUTY PAY

The conceptual basis for flight duty pay is to provide an economic incentive to retain air crewmembers and ensure that skill shortages or imbalances do not develop. For most of the personnel eligible for this type of pay, it is clear that such an incentive is warranted. However, for those personnel who have achieved the rank of general officer, or who have served for 25 years or more, retention does not appear to be a problem. Consequently, the Committee recommends eliminating flight duty pay for these individuals and reduces the budget request by \$500,000.

#### SPECIAL OPERATIONS ACTIVE/RESERVE CAPABILITIES

The Committee believes that operational requirements for psychological operations and civil affairs units are overwhelming the capacity of the reserve special operations units. This is resulting in an arduous operating tempo for these forces. The current rate of deployment for these reserve forces in meeting worldwide responsibilities indicates that a greater active forces capability needs to be established. Accordingly, the Committee directs the Chairman, Joint Chiefs of Staff, to submit a report to the congressional Defense committees not later than May 31, 1995, assessing the proper active/reserve division of responsibilities in these areas and recommending force structure adjustments that should be considered. At a minimum, the report should address the number and types of units and personnel, and their capabilities and rates of deployment. The Department of Defense shall not initiate any unit activations/deactivations based on the report until 60 days after submission of the report.

#### MILITARY PERSONNEL, ARMY

Appropriations, 1994	\$21,296,177,000
Budget estimate, 1995	20,601,170,000
House allowance	20,737,470,000
Committee recommendation	20,629,770,000

The Committee recommends an appropriation of \$20,629,770,000 for fiscal year 1995. This request is \$28,600,000 above the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in this report, are summarized below:

[In thousands of dollars)



Program	Committee adjustments
Military pay raise	+136,300
Officer work-years	-43,200
Officer average rank	-31,600
Retired pay accrual/Social Security contributions	-32,200
Disability severance pay	-3,500
Nurse anesthetist pay	+2,800
Total adjustments	+28,600
Recommended appropriation	20,629,770

#### MILITARY PERSONNEL, NAVY

Appropriations, 1994	\$18,330,950,000
Budget estimate, 1995	17,580,983,000
House allowance	17,692,537,000
Committee recommendation	17,638,483,000

The Committee recommends an appropriation of \$17,638,483,000 for fiscal year 1995. This request is \$57,500,000 above the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in this report, are summarized below:

[In thousands of dollars]

Program	Committee adjustments
Military pay raise	+113,700
Officer average rank	-38,200
Retired pay accrual/Social Security contributions	-16,400
Disability severance pay	-1,600
Total adjustments	+57,500
Recommended appropriation	17,638,483

#### MILITARY PERSONNEL, MARINE CORPS

Appropriations, 1994	\$5,772,317,000
Budget estimate, 1995	5,778,571,000
House allowance	5,816,671,000
Committee recommendation	5,806,471,000

The Committee recommends an appropriation of \$5,806,471,000 for fiscal year 1995. This request is \$27,900,000 above the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in this report, are summarized below:

[In thousands of dollars]

Program	Committee adjustments
Military pay raise	+38,700
Officer work-years	-3,900

Retired pay accrual/Social Security contributions	-1,700
Disability severance pay	-1,200
Unemployment compensation	+14,000
Special separation bonus	-18,000
Total adjustments	+27,900
Recommended appropriation	5,806,471

#### MILITARY PERSONNEL, AIR FORCE

Appropriations, 1994	\$15,823,030,000
Budget estimate, 1995	17,218,579,000
House allowance	17,311,379,000
Committee recommendation	17,031,179,000

The Committee recommends an appropriation of \$17,031,179,000 for fiscal year 1995. This request is \$187,400 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in this report, are summarized below:

[In thousands of dollars]	
Program	Committee adjustments
Military pay raise	+117,300
Officer work-years	-43,600
Retired pay accrual/Social Security contributions	-18,800
Disability severance pay	-100
Enlisted basic allowance for quarters	-20,800
Incentivized losses	-223,200
Nurse anesthetist pay	+2,300
Flight duty pay	-500
Total adjustments	-187,400
Recommended appropriation	17,031,179

#### GUARD AND RESERVE END STRENGTH

The Committee has reviewed the Department's fiscal year 1995 plans and missions for Guard and Reserve components and believes that with the exception of the Navy Reserve, discussed elsewhere in this report, the end strength is justified. This action will result in a total end strength of 979,381. The Committee wishes to impress upon the Department that the critical role envisioned for Guard and Reserve components in the "Bottom-Up Review" makes total readiness imperative. Such readiness includes sustaining the end strength and ensuring personnel are adequately trained and proficient in all areas of their responsibility. The Committee believes that the funding provided for Guard and Reserve components will satisfy these end strength and readiness goals.

#### DEFENSE FINANCE AND ACCOUNTING SERVICE [DFAS] SHORTFALL ARMY NATIONAL GUARD AND RESERVE

In April of this year, the Department submitted a re•pro•gram•ming to cover over disbursements and potential over disbursements caused by a combination of systemic financial control problems. The Committee was more than willing to work with the Department to resolve this issue; however, upon receipt of the re•pro•gram•ming, was discouraged to learn that the sources were unacceptable. The Committee subsequently met with representatives from the Department to discuss this issue and, on June 22, 1994, the Committee forwarded a letter to the Department advising that unless alternate sources were submitted, the Committee would be forced to fund this shortfall by decreasing funds requested in fiscal year 1995 Army

accounts. To date, the Committee has not received a response. Therefore, in order to accommodate this critical shortfall, the Committee has reduced Army accounts by a total of \$97,000,000.

#### NAVY RESERVE

The Committee shares the concern of the Senate Armed Services Committee with respect to diminishing sealift capabilities and agrees that additional Naval Reserve billets should be included in the Naval Reserve end strength to contribute to a robust lift capability.

In order to ensure that lift capability is maintained, and at the same time provide a more cost effective means of transporting Army and Marine troops and equipment from the island of Oahu to the island of Hawaii, as required, for training purposes, the Committee directs that two of the excess LST's be transferred to the Naval Reserve and homeported at Pearl Harbor for the purposes described above. The Committee believes that innovative uses of its assets will enable the Navy Reserve to fulfill new responsibilities and to provide peacetime lift assistance while meeting its own training requirements.

The Committee further directs that these ships and their crews are to be considered a part of the Navy's lift capability and that the crews of these ships are to be trained accordingly. The funding and personnel needed to accomplish this mission have been provided within the "Military personnel, Navy Reserve," and "Operation and maintenance, Navy Reserve" accounts. Active naval personnel required to accomplish this mission are to be absorbed from within existing end strength.

The Committee expects a report regarding the status of this initiative no later than January 15, 1995.

#### AIR FORCE RESERVE

The Committee has provided \$651,000 to support operations of the 53d Weather Reconnaissance Squadron. The Committee believes personnel required to accomplish the missions of this squadron can be accommodated within the fiscal year 1995 end strength.

#### AIR NATIONAL GUARD C-130 UNITS

In order to ensure the robustness of Air National Guard units in Nashville, TN, Louisville, KY, and Martinsburg, WV, the Committee has provided an additional \$5,600,000. These funds are to be used to fill current understrength within these units. Upon review of the Air National Guard's current end strength, the Committee believes that these added personnel can be accommodated within the fiscal year 1995 administration's end strength request.

#### AIR NATIONAL GUARD DEFENSE MISSION

The Committee supports the transfer of the 1st Air Force Defense Mission from the Air Force to the Air National Guard. In order to complete a phased transfer of 1st Air Force Headquarters and three air defense sectors to the Air National Guard during fiscal year 1997, initial actions must begin in fiscal year 1995 that were not included in the budget request. Therefore, the Committee agrees with the Air Force transfer of 184 active duty end strengths to the Air National Guard's full-time strength and provides \$6,200,000 to the "National Guard Personnel, Air Force" appropriation.

#### FIGHTER WING EQUIVALENTS, AIR NATIONAL GUARD

Although not convinced of the analysis used in the "Bottom-Up Review," the Committee reluctantly accepts the reduction of primary aircraft authorized [PAA] in each Air Guard unit from 24 or 18 to 15, but wishes to underscore its opposition to any further reductions. The Committee believes that any additional reductions would be extremely detrimental to unit integrity and cohesiveness as well as adversely affect this Nation's ability to respond in a time of crisis. The Committee intends to closely monitor this issue.

#### RESERVE PERSONNEL, ARMY

Appropriations, 1994	\$2,149,147,000
Budget estimate, 1995	2,174,520,000
House allowance	2,183,620,000
Committee recommendation	2,178,620,000

The Committee recommends an appropriation of \$2,178,620,000 for fiscal year 1995. This is \$4,100,000 above the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	
Military pay raise	+12,900
Understrength savings	-8,800
Total adjustment	+4,100
Recommended appropriation	2,178,620

#### RESERVE PERSONNEL, NAVY

Appropriations, 1994	\$1,555,800,000
Budget estimate, 1995	1,392,409,000
House allowance	1,398,609,000
Committee recommendation	1,418,723,000

The Committee recommends an appropriation of \$1,418,723,000 for fiscal year 1995. This is \$26,314,000 above the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	
LST's	+19,414
Military pay raise	+8,400
Understrength savings	-1,500
Total adjustment	+26,314
Recommended appropriation	1,418,723

#### RESERVE PERSONNEL, MARINE CORPS

Appropriations, 1994	\$350,890,000
Budget estimate, 1995	353,948,000
House allowance	354,048,000
Committee recommendation	351,098,000

The Committee recommends an appropriation of \$351,098,000 for fiscal year 1995. This is \$2,850,000 below the request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	Committee adjustments
Military pay raise	+2,100
Understrength savings	-4,950
Total adjustment	-2,850
I09RECOMMENDED APPROPRIATION	351,098

#### RESERVE PERSONNEL, AIR FORCE

Appropriations, 1994	\$781,958,000
Budget estimate, 1995	781,383,000
House allowance	782,434,000
Committee recommendation	774,834,000

The Committee recommends an appropriation of \$774,834,000 for fiscal year 1995. This is \$6,549,000 below the request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	Committee adjustments
Military pay raise	+4,600
WC-130 weather recon mission	+651
Understrength savings	-11,800
Total adjustment	-6,549
RECOMMENDED APPROPRIATION	774,834

#### NATIONAL GUARD PERSONNEL, ARMY

Appropriations, 1994	\$3,340,283,000
Budget estimate, 1995	3,360,505,000
House allowance	3,378,705,000
Committee recommendation	3,371,605,000

The Committee recommends an appropriation of \$3,371,605,000 for fiscal year 1995. This is \$11,100,000 above the request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

Program	Committee adjustments
Military pay raise	+22,600
Understrength savings	-11,500
Total adjustment	+11,100
RECOMMENDED APPROPRIATION	3,371,605

#### NATIONAL GUARD PERSONNEL, AIR FORCE

Appropriations, 1994	\$1,223,492,000
Budget estimate, 1995	1,233,329,000
House allowance	1,238,029,000
Committee recommendation	1,244,729,000

The Committee recommends an appropriation of \$1,244,729,000 for fiscal year 1995. This is \$11,400,000 above the request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]	
Program	Committee adjustments
Military pay raise	+8,400
C-130 units	+5,600
Transfer of defense mission	+6,200
Understrength savings	-8,800
Total adjustment	+11,400
RECOMMENDED APPROPRIATION	1,244,729

## TITLE II

### OPERATION AND MAINTENANCE

The Committee recommends appropriations totaling \$81,611,358,000 in title II, operation and maintenance, for fiscal year 1995. This is \$465,533,000 below the budget estimate and \$1,454,397,000 above the House allowance. The Committee recommendations, by appropriation account, are compared with the budget estimate and House allowance in the following table:

### SUMMARY OF OPERATION AND MAINTENANCE

[In thousands of dollars]					
	1995 budget estimate	House allowance	Committee recommendation	Committee compared with- 1995 budget estimate	House allowance
O&M, Army	17,766,814	17,836,504	17,475,806	-291,008	-360,698
Transfer-stockpile	(50,000)	(50,000)	(50,000)		
O&M, Navy	21,176,570	21,316,555	21,275,770	+99,200	-40,785
Transfer-stockpile	(50,000)	(50,000)	(50,000)		
O&M, Marine Corps	1,918,395	2,097,395	1,968,965	+50,570	-128,430
O&M, Air Force	19,026,623	18,913,050	18,786,243	-240,380	-126,807
Transfer-stockpile	(50,000)	(50,000)	(50,000)		
O&M, Defensewide	10,208,413	8,945,266	9,986,654	-221,759	+1,041,388
Transfer-stockpile			(100,000)	(+100,000)	(+100,000)
O&M, Army Reserve	1,253,709	1,240,109	1,253,709		+13,600
O&M, Navy Reserve	827,819	834,119	827,819		-6,300
O&M, Marine Corps Reserve	81,462	83,542	80,562	-900	-2,980
O&M, Air Force Reserve	1,478,990	1,486,805	1,455,872	-23,118	-30,933
O&M, Army National Guard	2,447,148	2,498,868	2,442,135	-5,013	-56,733
O&M, Air National Guard	2,780,178	2,797,978	2,780,178		-17,800
National Board for the	2,544	2,544	2,544		
Promotion of Rifle Practice, Army					
Court of Military Appeals, Defense	6,126	6,126	6,126		

Environmental restoration, Defense	2,180,200	1,880,200	2,034,075	-146,125	+153,875
Summer Olympics			10,000	+10,000	+10,000
Special Olympics			3,000	+3,000	+3,000
Support for international sporting competition, Defense		7,900			-7,900
Humanitarian assistance	71,900	60,000	71,900		+11,900
Former Soviet Union threat reduction	400,000		400,000		+400,000
International peacekeeping	300,000			-300,000	
Real property maintenance, Defense			500,000	+500,000	+500,000
Grand total O&M	81,926,891	80,006,961	81,361,358	-565,533	+1,354,397
Transfer	(150,000)	(150,000)	(250,000)	(+100,000)	(+100,000)
Total funds available, O&M	(82,076,891)	(80,156,961)	(81,611,358)	(-465,533)	(+1,454,397)

## OPERATION AND MAINTENANCE OVERVIEW

Appropriations under this title finance the cost of operating and maintaining U.S. Armed Forces, including Guard and Reserve components and Department of Defense agencies. These funds are used to purchase fuel and spare parts for training activities, pay civilian personnel, purchase supplies, equipment and service contracts for repairing weapons systems and facilities, and finance other personnel support programs.

There are several principles which guided the development of the Committee's operation and maintenance recommendations. These are:

- Support the regional strategy, force structure, and operational plans defined by the "Bottom-Up Review" and assumed in the fiscal year 1995 Department of Defense budget request.-The Committee's recommendations make no adjustment based on changes in force structure not assumed in the President's Defense request. Also, the recommendations fully support the unit training operations of the Armed Services, including full funding for JCS exercises.

- Temper the recommendations to address both fiscal imperatives and preserve military preparedness.-Generally, adjustments to specific service O&M programs are made when either the program or funding request is out of step with the ongoing military drawdown or the funding request is in excess of amounts needed to support the related program. Program reductions, however, are more than offset by increases for programs essential for maintaining military preparedness and, thus, of special interest to the Committee.

- Encourage efficiencies and better management.

- Use savings available from pricing and fact-of-life changes to increase funding for worthwhile programs.

This traditional set of guidelines has been augmented with new guidelines which respond to current issues. These include:

- Enhance programs which support military members and their families' social needs so that the Department may continue to attract, build, and retain quality personnel.

- Support and enhance programs which address the inefficiencies and costs caused by the defense drawdown.

- Continue initiatives started by the Committee which improve readiness and/or save operation and maintenance costs over time.

The Committee's recommendations reflect a balance between providing sufficient funding to carry out the essential training and support activities fundamental to the preparedness of our Armed Forces and responding to the fiscal constraints and changing security environment that we as a Nation now face. Additional details on the adjustments and recommendations made by the Committee for servicewide operation and maintenance programs and by appropriation account are presented in the following sections.

## FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE

[In thousands of dollars]

	Army	Navy	Marine Corps	Air Force	Defensewide	Army Reserve	Navy Reserve	Marine Corps Reserve	Air Force Reserve	Army National Guard
Fiscal year 1995 budget request	17,766,814	21,176,570	1,918,395	19,026,623	10,208,413	1,253,709	827,819	81,462	1,478,990	2,447,148
By transfer: NDS	50,000	50,000		50,000						
Total, BA request	17,816,814	21,226,570	1,918,395	19,076,623	10,208,413	1,253,709	827,819	81,462	1,478,990	2,447,148
DOD-WIDE ADJUSTMENTS										
Aircraft maintenance	85,500	23,600								
Ship maintenance		100,000								
Combat vehicle repair	10,800		16,300							
Recruiting	46,100	39,200	10,700	4,000						
Mobility enhancements					50,000					
Child development	10,000	10,000	5,000	10,000						
Family support centers		8,600	4,700							
Family Advocacy Program	10,000	10,000	4,000	10,000	60,000					
Real property maintenance										
Teletraining	8,490				451	2,300			2,342	5,467
Civilian understrength	-290,400			-170,530	-36,700				-15,660	
Civilian education	-3,800			-2,950						
Work Force Act	22,600	11,800		12,700	7,400					
Civilian incentives	61,500			61,500						
G&R understrength						-2,300		-900	-9,400	-1,900
Travel (TDY)	-19,100	-6,600		-13,200	-2,200				-400	-7,500
MSC rate change	-16,300	-5,300	-1,300	-6,300	-8,900					
Arms control	-6,000	-3,000		-4,000	-7,000					
Base communications	-32,700	-24,600		-7,600						
ADP	-30,000	-30,000		-30,000	-43,500					
DFAS pricing	-29,800	-18,600	-5,400	-21,900	-9,500					
Schoolhouse training	-16,600	-5,000		-8,800						
War college workload	-10,600	-3,100		-1,000						
Supply ops	-64,700	-50,600	-7,000	-18,300						
Classified programs	-7,100	-4,700	4,400	-42,300	-147,400					

## FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

	Air National Guard	RPM defense	Rifle practice Army	Court Mil Appeals	Summer/Speci al Olympics	Environ restor defense	FSU threat reduction	Human assistance	Peace keeping	Total
Fiscal year 1995 budget request	2,780,178		2,544	6,126		2,180,200	400,000	71,900	300,000	81,926,891
By transfer: NDS										150,000
Total BA request	2,780,178		2,544	6,126		2,180,200	400,000	71,900	300,000	82,076,891



Aircraft maintenance			109,100
Ship maintenance			100,000
Combat vehicle repair			27,100
Recruiting			100,000
Mobility enhancements			50,000
Child development			35,000
Family support centers			13,300
Family Advocacy Program			94,000
Real property maintenance	500,000		500,000
Teletraining			19,050
Civilian understrength	-8,050		-521,340
Civilian education			-6,750
Work Force Act			54,500
Civilian incentives			123,000
G&R understrength	-4,600		-19,100
Travel (TDY)	-500		-49,500
MSC rate change			-38,100
Arms control			-20,000
Base communications			-64,900
ADP			-133,500
DFAS pricing			-85,200
Schoolhouse training			-30,400
War college workload			-14,700
Supply ops			-140,600
Classified programs			-197,100

[In thousands of dollars]

[illegible]

International HQ	-14,600	
MTMC pricing	-9,060	
Navy:		
SSBN maintenance	-23,000	
delay		
Work-year pricing	-8,300	
CAAS	-9,200	
Environmental R&D	-6,100	
activities		
Naval Academy	-14,450	
restoration		
Barracks repairs	14,450	
Nimitz Center	3,000	
Charleston naval	6,000	
complex		
U.S.F. Constellation	1,000	
damage survey		
Alcohol rehab center	1,000	
Shipyard	83,100	
modernization		
Marine Corps:		
Unit training		12,000
Unit maintenance		12,000
Environmental R&D		-1,000
activities		
Civilian work-year		-830
adjustment		
Ammo rework		-3,000

## FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

[illegible]

Naval Academy restoration	-14,450
Barracks repairs	14,450
Nimitz Center	3,000
Charleston naval complex	6,000
U.S.F. Constellation damage survey	1,000
Alcohol rehab center	1,000
Shipyard modernization	83,100
Marine Corps: Unit training	12,000
Unit maintenance	12,000
Environmental R&D activities	-1,000
Civilian work-year adjustment	-830
Ammo rework	-3,000

# FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

	Air Force	Defensewide	Army Reserve	Navy Reserve	Marine Corps Reserve	Air Force Reserve	Army National Guard
Air Force:							
DLR's	86,000						
AWACS training	16,000						
CAP	3,800						
Bomber force levels	69,700						
Europe drawdown	5,000						
Joint exercises	9,000						
COPE THUNDER	3,000						
CAMS/REMIS	5,000						
TICARRS	15,000						
B-1 conventional upgrades	-36,440						
Strategic modernization	-34,900						
TF-coded flying hours	-19,230						
Noncombat command base operations	-35,930						
F-16	-70,700						
DT&E/ICS/PGSE							
2d destination transportation	-1,300						
Voluntary education	-15,000						
Air National Guard transfer	-6,200						
Reg. civilian centers transfer	-4,500						
Defense Agencies							
Military Contact Program		-46,300					
Stockpile transfer		-100,000					
Special Operations Forces		-11,800					

DCMC	-36,500
Security lock retrofit	20,000
Counterproliferation studies	-30,310
PACOM env. compliance	20,000
Partnership for Peace	30,000
Northern Edge JCS exercise	5,000
Military school maintenance	20,000
Anchorage fuel center	500
Medical supplies transportation	5,000
LEGACY	40,000

## FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

[illegible]

DCMC	-36,500
Security lock retrofit	20,000
	-30,310
Counterproliferation studies	
PACOM env. compliance	20,000
Partnership for Peace	30,000
Northern Edge	5,000
JCS exercise	
Military school maintenance	20,000
Anchorage fuel center	500
Medical supplies transportation	5,000
LEGACY	40,000

# FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

	Army	Navy	Marine Corps	Air Force	Defensewide	Army Reserve	Navy Reserve	Marine Corps Reserve	Air Force Reserve	Army National Guard
Guard/Reserves:										
Navy Reserve LST's							5,000			
Navy Reserve admin. expenses							-5,000			
Army Guard information systems										-2,350
Army Guard admin. expenses										-1,450
Army Guard aviation facility										900
MEDRETES/Guard care										5,000
Army Guard staff management										-3,180
Air Guard admin. expenses										
Air Guard 176th Airlift Squadron mobility										
Air Guard C-130's										
Peacekeeping										
Sporting events										
Environmental restoration										
SAC appropriation subtotal	17,475,806	21,275,770	1,968,965	18,786,243	9,986,654	1,253,709	827,819	80,562	1,455,872	2,442,135
By transfer	50,000	50,000		50,000	100,000					
SAC appropriation	17,525,806	21,325,770	1,968,965	18,836,243	10,086,654	1,253,709	827,819	80,562	1,455,872	2,442,135

# FISCAL YEAR 1995 OPERATIONS AND MAINTENANCE-Continued

[In thousands of dollars]

	Air National Guard	RPM defense	Rifle practice Army	Court Mil Appeals	Summer/Speci al Olympics	Environ restor defense	FSU threat reduction	Human assistance	Peace keeping	Total
Guard/Reserves:										
Navy Reserve LST's										5,000
Navy Reserve admin. expenses										-5,000
Army Guard information systems										-2,350
Army Guard admin. expenses										-1,450
Army Guard aviation facility										900
MEDRETES/Guard care										5,000
Army Guard staff management										-3,180
Air Guard admin. expenses	-16,950									-16,950
Air Guard 176th Airlift Squadron mobility	5,000									5,000
Air Guard C-130's	25,100									25,100
Peacekeeping									-300,000	-300,000
Sporting events					13,000					13,000
Environmental restoration						-146,125				-146,125
SAC appropriation subtotal	2,780,178	500,000	2,544	6,126	13,000	2,034,075	400,000	71,900		81,361,358
By transfer										250,000
SAC appropriation	2,780,178	500,000	2,544	6,126	13,000	2,034,075	400,000	71,900		81,611,358

## SERVICEWIDE OPERATION AND MAINTENANCE PROGRAMS

### THE READINESS IMPERATIVE

"Preserving military readiness." In hearings before the Committee this year, this phrase has taken on an aura of urgency. And well it should. Given today's uncertain, ever-changing threat environment, all agree that the most daunting challenge facing the Department of Defense is finding ways to preserve military readiness and capability, despite a planned decline in defense funding. Though many have said that our Armed Forces are the most ready, modernized, and technically sophisticated of any previously fielded, the prospects for sustaining such a force could be growing darker. To what extent these darkening prospects are attributable to the budget decline or external factors is an open question. Such prospects, however, surely do not arise from a failure to establish clear funding and program priorities by either the Department or the Congress. Preserving readiness has become, on both sides of the Potomac River, job No. 1.

Though the priority for preserving military readiness has been clearly established, the blueprint for doing so has not been. In this regard, a statement from the report accompanying the fiscal year 1994 Defense appropriations bill (S. Rept. 103-153) reflects the Committee's views on this matter and bears repeating:

Clearly, some O&M programs enhance combat preparedness more than others and, thus, usually merit higher priority for funding. On the other hand, programs which do not directly support combat preparedness in any measurable way cannot be left to atrophy. The imperative facing the

administration and Congress is to determine an appropriate balance between funding for critical readiness programs and those programs which indirectly support readiness through improving the quality of life of troops and their families.

The Committee believes its operation and maintenance funding recommendations achieve the appropriate balance described above and one that will preserve readiness most effectively within current fiscal constraints. A brief review of those recommendations follows:

The Committee's recommendations support the force structure, regional strategy, and operating requirements assumed in the administration's request:

- Programs key to combat readiness are fully supported and, in some cases, enhanced.

- Full funding for each of the service's key operating tempo and exercise accounts is approved. Thus, measured increases for the JCS Exercise Program, the Air Force AWACS Aircrew Training Program, Army and Marine Corps unit training programs, and Air Guard flying operations are provided to eliminate funding shortfalls.

- Depot maintenance funding is increased a net total of \$201,300,000.

- The Air Force's Depot Level Repairable Spare Parts Program is increased by \$86,000,000, reducing by one-half the funding shortfall assumed in the budget request for this program.

- Air Force B-52 bomber levels are restored to 1994 levels, requiring an increase of \$69,700,000.

- To address concerns about the decline in the propensity for young people to enlist in the military, \$100,000,000 is added for the recruiting program.

- To ensure direct readiness activities are executed at approved funding levels (and not eaten away by reprogrammings to other functions, as has been the case particularly with the Army), the recommendations provide funds specifically to address costs and inefficiencies of the ongoing defense drawdown. An additional \$177,500,000 is provided for civilian personnel separation incentives. Also, an increase of \$92,000,000 is recommended for our Army and Air Force European commands experiencing serious financial problems caused by the drawdown of forces from there.

- And, continuing three initiatives begun by the Committee, the recommendations propose adding \$50,000,000 to improve strategic mobility assets such as railroad lines and port and pier facilities, \$500,000,000 to the "Real property maintenance, defense" account, and \$83,100,000 for shipyard modernization.

The recommendations are tempered with timing and fiscal considerations. To encourage the services to reduce excessive infrastructure in noncombat commands, reductions totaling \$167,000,000 in these commands' base operations programs are proposed. Also, the services' requests for funds to cover certain administrative costs are reduced, aligning growth in these programs with changes in forces and infrastructure supported. These adjustments total approximately \$145,000,000.

The Committee's recommendations encourage efficiencies and aim to rationally reduce overhead. The services' ADP programs are reduced by a total of \$113,500,000. The Defense Logistics Agency is encouraged to increase productivity savings, as is the Defense Finance and Accounting Service. Reductions to these operations are \$140,600,000 and \$85,200,000, respectively.

The recommendations take advantage of pricing and fact-of-life changes. There are large reductions reflecting changes in civilian employee levels anticipated for the end of both fiscal years 1994 and 1995 (about \$521,000,000). Other fact-of-life changes allow for reductions totaling roughly \$144,000,000.

Finally, the Committee supports select quality-of-life programs and other programs of continuing interest to it.

-A broad initiative designed to significantly enhance family support programs is proposed. A total of \$142,300,000 is added to the request for child development programs, family support centers, and child and spouse abuse prevention and treatment programs. Also, an increase for Navy barracks renovation programs is recommended.

-The Department's funding proposals for the Nunn-Lugar and humanitarian assistance programs are approved at the requested levels. Conversely, funding for the Military-to-Military Contact Program and the international peacekeeping fund is deleted.

#### PUTTING A FACE ON READINESS: SUPPORTING MILITARY FAMILIES

Perhaps the most important lesson drawn from examinations of the late 1970's/early 1980's period of military history during which this country fielded a so-called hollow force is this: the critical link in the force readiness chain is people; specifically, the quality, morale, and well-being of the personnel manning our combat units. This is not to say that unit training activities, equipment availability, and equipment condition are not fundamental to combat preparedness, they are. But without quality people physically and mentally prepared to meet the rigors of today's high technology battlefield, the U.S. military will soon resemble those hollow forces of yesteryear.

This axiom of modern warfare prompted the Committee, as part of its deliberations on the fiscal year 1995 Defense budget request, to review current demographic, environmental, and occupational trends which affect the well-being of our troops. Based on its findings, the Committee is recommending a broad initiative which addresses several quality-of-life issues now facing military members and, in particular, military families.

Military families today.-The most striking difference between U.S. military forces now, compared with those of previous periods, is the number of troops with families. At present, 6 of every 10 U.S. servicemembers are married. There are about 80,000 single parents in the military and almost 100,000 dual military parents. By all accounts, the number of military members with families will continue increasing over the coming years. This fact, coupled with the growing representation of women and minorities in the Armed Forces, make the composition of today's military forces unique in U.S. history.

Though the aforementioned demographic trends are welcomed and should be encouraged, these trends also may serve to exacerbate the traditional stresses of military life, such as regular periods of separation from family and friends, and the obvious dangers of the battlefield. Yet, because of the variety of factors affecting how military families cope with these traditional stresses, few experts agree on whether or not and to what extent these trends complicate military life.

There is, however, broad agreement that the ongoing defense drawdown has increased stress on military families. Over the past several months, the Committee has heard from many military members about the uncertainty and anxiety growing among the ranks as the military drawdown continues. Chief among their concerns are: the fear of losing their job; a perceived lack of possible advancement and career security; an apparent erosion of buying power and benefits including adequate housing and health care and counseling and education options; and the likelihood that emergent international crises will keep them away from home longer than in the past.

Thus, one can argue quite convincingly that, in combination with traditional military hardships and the complications of modern American society, the changing composition of our forces and the impact of the ongoing defense drawdown, if not addressed, could have a negative, permanent effect on many of our military families.

Though the military drawdown may continue for only a few more years, the effects from the drawdown on military members and families-that is, on the image they have of themselves and the value of military life



they communicate to others-will likely be felt for many years to come. This is one of the important reasons underlying the Committee's continuing interest in the Department's quality-of-life programs. Without adequately funded programs supporting the morale and well-being of our forces and their families, the Committee believes it will become increasingly difficult in today's economic and social environment to attract and retain quality people in the military.

The Department of Defense's community quality-of-life programs are defined in several specific categories, including: commissaries and exchanges; transition and relocation assistance; morale, welfare, and recreation programs; and education opportunities. The Committee, however, has long been interested in and supportive of three categories of quality-of-life programs which address child development and family support and abuse issues. So, given the Committee's longstanding interest in these issues and the growing stress on today's military families, the Committee recommends a broad set of proposals and funding initiatives designed to enhance the Department's child and family support programs.

Supporting military families.-A summary of the Committee's recommendations is provided in the table below. The funding amounts shown below are additions to amounts requested by the Department for these programs.

[In millions of dollars]						
	Army	Navy	Marine Corps	Air Force	Defensewide	Totals
Child development	10.0	10.0	5.0	10.0		35.0
Family support		8.6	4.7			13.3
At-risk youth programs					14.5	14.5
New parent support	10.0	10.0	4.0	10.0	2.0	36.0
Family advocacy/program					43.5	43.5
Totals	20.0	28.6	13.7	20.0	60.0	142.3

These recommendations are based on thorough reviews of the Department's child and family advocacy programs, the Department's fiscal year 1995 budget request, and recent reports detailing military spouse abuse cases. By and large, the Committee is encouraged by its findings, but is concerned that self-imposed fiscal constraints have prohibited the Department from fully meeting the needs of its family members. Following is a description of the Committee's finding and details of the relevant recommendations.

Child development programs.-The military services and Defense Agencies offer child development programs at most installations in the United States and many major installations overseas. These programs provide full and part-day care, after school care, and part-day preschool in both child development centers and individual homes. Though the Department continues to make progress in meeting child care requirements, well over 60,000 children (out of a total of 313,000 seeking care) still need spaces in DOD child care facilities. In order to substantially reduce this figure, the Committee recommends an additional \$35,000,000 in total for the services' child development programs. From within the additional funds provided, the Navy is directed to initiate a child care demonstration program in concert with plans submitted to the Committee.

Family support centers.-These centers provide a variety of services to military family members including financial counseling, information and referral assistance, and pre- and post-deployment briefings. This program proved to be vital to the health and well-being of military families whose spouses saw combat duty in the recent Persian Gulf war. Budget documents submitted by the Department indicate that the Navy and Marine Corps family support programs are underfunded by \$8,600,000 and \$2,700,000, respectively. The Committee recommendations provide funds to ameliorate these shortfalls. Moreover, the Committee provides an additional \$2,000,000 for the Marine Corps specifically to expand family counseling services and expedite implementation of its FSC coordinated community response program.

Family Advocacy Program.-The Department's Family Advocacy Program [FAP] offers services to prevent and/or treat child abuse, spouse abuse, or other forms of family violence. From its inception in the early 1980's, the FAP has increased awareness of the problems of child and spouse abuse, improved reporting of abuse cases, and fostered collaboration with military investigative and legal systems to respond more effectively to family violence after it has occurred.

At the outset, this program was characterized by a crisis response/reactive mode relying on service-specific and CHAMPUS-based treatment regimes. Today, the FAP philosophy has expanded to focus on interventions that prevent family violence in the military by addressing the underlying causes of abuse. This refocus on prevention is seen as the primary means for reducing the magnitude and costs of family violence while maintaining the integrity of the military family. The need to expand prevention services offered by the FAP was underscored in a recently released DOD report on abuse victims. In light of this important change in program philosophy and findings reported in the DOD abuse victim study, the Committee makes the following recommendations:

-New Parent Support Program.-A 1990 GAO study evaluated a variety of early intervention programs and showed that those programs employing home visitors and community services produced a range of positive outcomes for families and children. That report supported recommendations of national child advocacy organizations calling for establishing more prenatal and postnatal home visiting services for high risk women and infants. In response, each of the military services' family advocacy programs initiated a New Parent Support Program designed to support new families through counseling and, thus, minimize the potential for family violence. To enhance the services' efforts in this regard, the Committee recommends an additional \$36,000,000 for new parent support programs. This increase should allow the Department to expand this program to roughly 75 percent of the military installations with family advocacy programs.

-Youth Support/At Risk Adolescent Program.-The Department of Defense, like other organizations and communities throughout the land, has witnessed an increase in adolescent violence and gang activity. Until today, the Department's efforts to address this issue have been hampered by a lack of funding and policy guidance. Recently, however, the FAP developed a long-range plan to revitalize and expand youth programs, especially those for the roughly 425,000 adolescent children who are family members of active duty military personnel. To expedite this plan, the Committee adds \$14,500,000 for youth support/at risk adolescent programs in DOD. These funds are to be used in accordance with a plan submitted to the Committee by the Department.

-Model communities project.-To improve services to families with children, the Deputy Assistant Secretary of Defense for Personnel Support, Families, and Education initiated the model communities project. The project will offer incentive awards to installations that develop programs addressing the needs of children and families. DOD policy requires these programs to be locally managed and multidisciplinary, actively involve families and children, and develop measurable outcomes that can be used by other communities. In the long run, these programs are intended to serve as models for other installations with similar problems. The Committee believes this is a valuable effort and recommends an increase of \$10,000,000 to expand this project.

-FAP caseload.-To reduce the number of abuse cases awaiting a response and increase prevention efforts in general, the Committee agrees to provide an additional \$33,500,000 to the DOD Family Advocacy Program. Based on the recommendations of the recently released DOD study on abuse victims, the Committee directs the FAP to initiate a victims' services coordinator program using part of the additional funds provided.

The Committee directs the Secretary of Defense to provide a report to the congressional Defense committees detailing the allocation and proposed use of all funds provided by these recommendations. But, at a minimum, the Committee directs that \$20,000,000 of the total increase proposed under this initiative be used to benefit Pacific region installations. The Committee intends to work with the Department to determine the exact details of the report, but in no case is it to be submitted later than January 15, 1995.

The Committee recognizes the substantial progress the Department of Defense has made in implementing the Family Advocacy Program. Indeed, it is encouraged by the efforts of all those responsible for the Department's child development and family support programs. This initiative offered by the Committee should be viewed as establishing a baseline to develop funding levels and program requirements in the Department's 1996 and future budget requests. The Committee believes that to do anything less is to jeopardize the readiness of our Armed Forces.

#### ADDRESSING THE COSTS AND INEFFICIENCIES OF THE DRAWDOWN

Though it generally was understood at the beginning of the current military drawdown that inefficiencies and unanticipated costs would arise, no one could accurately predict the magnitude of those costs. Nowhere has this troublesome outcome had a more deleterious effect on current operations than in our European commands. Costs arising from the drawdown have forced our Army and Air Force leaders in Europe to redirect funds approved for training activities to infrastructure support. Thus, for the past 3 years, the U.S. Army in Europe has failed to train at levels even remotely akin to a reasonable readiness standard.

In order to reduce the propensity to transfer training dollars to infrastructure programs, the recommendations provide funds to offset a shortfall in the Army European command's base operations request and fully fund the Army's RetroEur Program. Additional funds also are provided to augment the Air Force European command's Base Operations Program. In particular, these funds shall be used to cover utility and health and safety-related maintenance costs that, in the absence of an appropriation, may well be covered by transfers. Details on these and other recommendations which address the rising costs of the defense drawdown are provided under the relevant headings appearing later in this report.

#### O&M SUPPORT TO MILITARY FORCES

##### DEPOT MAINTENANCE

The Committee's review of the Department's depot maintenance funding proposals for 1995 have led it to conclude that the financial backlogs projected for Army and Navy aircraft depot maintenance programs are beyond levels deemed appropriate by the Committee. This is also the case for the Army and Marine Corps combat vehicle maintenance programs. To address these findings, the Committee provides additional funds for select aircraft and combat vehicle maintenance programs, making it possible for each service to meet 80 percent of its fiscal year 1995 maintenance requirements in these programs. For aircraft maintenance, the Committee provides an additional \$85,500,000 to the Army and \$23,600,000 to the Navy. And for combat vehicle maintenance, the Committee adds \$10,800,000 to the Army program and \$16,300,000 to the Marine Corps program.

The Committee also recommends providing an additional \$100,000,000 for needed ship repairs not funded in the President's request. Navy budget reductions and smaller force levels will result in significantly less repair work and a loss of skilled labor at both private and Navy shipyards. Providing funds for additional workload at both private and public yards in 1995 will allow for a more measured and gradual transition to smaller shipyard work forces in the future while preserving, to a reasonable extent, this critical industrial base. These additional funds will be used for ship repairs identified by the Navy in a plan submitted to the Committee. To assure that these funds are used for the purposes intended, language requiring the Navy to obligate a minimum amount of funding for ship maintenance during the fiscal year is included in the bill.

For those programs not mentioned above, such as Air Force aircraft or Navy engine depot maintenance, the budget request proposes amounts sufficient to meet the 80 percent minimum funding level. The Committee's recommendations fully fund the President's request for those critical programs not mentioned above.

As noted previously by the Committee, a robust depot maintenance program should be considered fundamental to preserving military readiness. Yet, as forces are reduced, maintaining some level of repair backlog is sound management practice, inasmuch as this practice allows the depots to smooth workload and

minimize turbulence in the work force. Growth in backlogs above certain thresholds, however, could hamper force operations and degrade readiness in the near or medium term. Thus, the Committee directs the military services to allocate funding for depot maintenance programs requested in its annual budget submissions at levels equal to or greater than 80 percent of the annual requirements for airframes and aircraft engines, combat vehicles, and ships.

The depot maintenance industrial base revisited.-The Committee is chagrined by the Department's recent policy decision to discontinue public/private and public/public competition of depot maintenance workload. Ending these competition programs runs exactly counter to those policies and fundamental business operating procedures which are encouraged under the defense business operations fund initiative. Moreover, the Committee believes that only in a competitive environment will depot maintenance providers be motivated fully to ensure that the most efficient and economical policies and procedures are followed.

The Committee agrees that there are flaws in the Department's depot maintenance competition programs which must be corrected. The data base, financial management, and cost comparison systems are not sufficient to ensure a level, competitive playing field. Moreover, the process by which the Department bids and awards workload is not consistent with sound business theory or practice, and thus does not allow for true market mechanisms to operate.

The Committee believes that ending depot maintenance competition is not in the Department's best interest. For example, in the absence of competition, it is likely that depot maintenance prices will continue to increase dramatically-a prospect that should be considered troublesome by the operating forces who pay for depot maintenance services. Thus, the Committee directs the Department to reinstitute competition for depot maintenance workload funded in fiscal year 1995 and thereafter, while simultaneously proceeding with data base and financial management system and award process improvements that will enhance the quality of future competitions. A general provision (sec. 8057) is included which permits full competition of depot maintenance programs. Should the Department fail to reinstitute competition, the Committee will consider corrective actions on future legislation.

#### MOBILITY ENHANCEMENTS

Continuing an initiative begun several years ago, the Committee once again recommends an increase in funding to enhance military force mobility and improve the military services' rapid deployment capability from the United States. As the Department's strategy and force structure continue to evolve, the imperative for an enhanced rapid deployment capability grows. Funding of \$50,000,000 is added to the "Operation and maintenance, defensewide" account to improve mobility assets such as railheads and port and pier facilities. These funds are to be managed by the Under Secretary of Defense for Personnel and Readiness. The Committee directs the military services to provide recommendations to the Under Secretary regarding specific programs and related funding requirements that meet the Committee's intentions under this initiative by no later than January 1, 1995. Also, the Army has informed the Committee that the Bayonne Army Garrison rehabilitation project is vitally needed. The Army has identified a \$3,300,000 requirement to complete the final phase of an ongoing project to repair the railroad trackage located within the facility. The Committee directs that \$3,300,000 of the additional \$50,000,000 provided for strategic mobility enhancements be used to complete the Bayonne Army Garrison project.

In a related matter, the Committee approves the funding level requested by the Army to reconfigure the service's Europe-based Prepositioned Materiel Configured to Unit Sets or POMCUS Program. The Committee urges the Army to proceed apace with this program, so that future logistics and prepositioning costs are reduced.

#### RECRUITING, ADVERTISING, AND EXAMINING

The Committee proposes to increase the military service recruiting and advertising budget requests, allowing for increased recruiter support and advertising. Declines in the propensity of young people to enlist for military service have resulted in across-the-board failures to meet new recruit contract goals. This has

led the services to deplete their delayed entry pools in order to meet current year accession goals, a practice that will make fiscal year 1995 accession goals that much harder to meet.

The propensity to enlist is at the lowest level ever experienced since the creation of the All-Volunteer Force, according to the 1993 youth attitude tracking survey. There are many reasons for this change. There is a greater propensity for youth to attend college than ever before. There are adequate job opportunities in the civilian sector. Today, it appears that parents, teachers, and coaches are more inclined to steer youth in directions other than military service. There is also a misperception that, in the drawdown environment, the military is not hiring.

Increased advertising funds can get the message out to both the youth and their influencers that the military is hiring and that there are excellent opportunities in military service. Increased recruiter support funds will provide for vehicles, expenses, supplies, equipment, automation, communications, applicant meals/lodging/travel, and so on, required to put recruiters in touch with prospects and their influencers. Funding increases in this area will have a direct impact on the recruiters' ability to meet new contract goals.

Accordingly, the Committee recommends a total increase of \$100,000,000 for service recruiting and advertising programs, to be allocated as shown in the table below:

Army	\$46,100,000
Navy	39,200,000
Marine Corps	10,700,000
Air Force	4,000,000

#### TELETRAINING

Because of the long-term savings anticipated from the introduction and expansion of teletraining in the services' schoolhouse training regimes, the Committee recommends an increase totaling \$19,050,000 for teletraining initiatives. This increase shall be used to support both the Army's Teletraining Network Program, otherwise known as TNET, and the initiation of a distance learning regional training network demonstration project for certain Army Guard and Reserve outfits in Pennsylvania and West Virginia.

#### BASE COMMUNICATIONS

The Committee's recommendations for base communications propose reductions totaling \$64,900,000, limiting growth in certain active military base communications programs and aligning changes in these programs with changes in force structure. Data submitted with the President's 1995 budget request indicate that the Department's proposals for certain communications programs are out of step with the continuing force drawdown. Although reductions are proposed, the recommendation protects increases for modernization projects and ongoing activities critical to force operations.

#### SCHOOLHOUSE TRAINING AND EDUCATION

Specialized skill and training support.-The Committee believes that Air Force specialized skill training and Army training support estimates do not adequately consider force structure reductions. The revised estimates consider the fact that portions of the training base and infrastructure do not change in direct proportion to reductions in the force structure and that some force structure reductions actually result in an increased rather than decreased training requirement. The Committee recommends that funding be reduced by a total of \$25,400,000 to incorporate the impact of changes in force structure on these programs.

Training squadron transfer.-The Committee recognizes that the Navy will realign certain flight training activities. In anticipation of savings to be generated from this realignment, the Committee recommends reducing the Navy aviation training support request by \$5,000,000.

War college workload.-The Committee recommendations align funding levels for the National Defense University [NDU] and the service war colleges with changes in force structure. After adjusting for force

structure reductions and accounting for inflation, the fiscal year 1995 estimates are up by 23 percent more than would be expected. The effect of this growth is to support an increased student load which will result in a far higher percentage of service war college graduates in a smaller force. War college training is primarily a leadership development program. The ratio of leaders to those led does not need to increase in the downsized force structure. Accordingly, the Committee recommends that budget estimates be reduced by \$14,700,000.

War college joint training initiative.-Currently, there is limited interservice training at the military war colleges. However, recent military experience has been dominated by joint operations and the prospect for more joint operations in the future is assured. In the spirit of increased interservice cooperation, and in recognition of the need to increase senior level officers' awareness of the doctrines and capabilities of sister military departments, the Committee approves a general provision (sec. 8108) directing that the share of each military department's war college student load made up of military department members from other components increase to not less than 20 percent of the total of U.S. students at each war college by a time certain.

The Department is directed to implement this initiative for classes entering the war colleges after September 30, 1996. Each military department is directed to recognize the attendance at a sister military department war college as the equivalent of attendance at its own war college for promotion and advancement of personnel.

Consolidation of corpsman training.-It has come to the attention of the Committee that significant excess training capacity exists at some of the locations that conduct corpsman/medic training. The Committee directs the Department to conduct a study and provide recommendations, not later than May 31, 1995, regarding consolidation of corpsman/medic training at a reduced number of locations. The report should discuss, at a minimum, the capacity and present workload at the current corpsmen/medic training locations, the cost savings that might be achieved through consolidation, and an analysis of administrative and teaching reductions that might be achieved. The Department's recommendations on consolidation actions should be included in the report and should be submitted to the congressional defense committees.

## THE REGIONAL SECURITY ENVIRONMENT

Over the course of the year, the Committee conducted an in-depth review of the U.S. military situation in Europe. What follows is a summary of the Committee's findings.

The European military situation.-The U.S. European Command's area of responsibility is being described by our military leaders in Europe as a theater in conflict. In the wake of the cold war, deep-seated ethnic hatreds and nationalist tendencies have been loosened from their bipolar bounds. Consequently, the potential for instability and violence on the European continent has increased. Thus, it is more likely today that NATO and U.S. European-based forces will encounter low-level conflict situations, as well as be asked to perform more nontraditional military tasks such as humanitarian relief and nation building.

In addition to these new threats facing the alliance, our military leaders in the region remain concerned about (and maintain forces in response to) the latent conventional and nuclear capabilities of the former Soviet states. Though the conventional threat to central Europe is gone, U.S. commanders worry that massive economic dislocation in these countries could lead to a more militaristic nationalist and/or recidivist Communist leadership.

To address these threats and satisfy alliance and bilateral commitments, the United States will maintain military forces in Europe for the foreseeable future. This is no longer a subject for debate. What is up for debate are questions regarding the level of U.S. forces to remain in Europe and their use.

The Department of Defense has identified a number of political and military justifications for sustaining a U.S. force presence in Europe. In political terms, these forces: demonstrate our commitment to European security; assure U.S. leadership of the NATO alliance; and enhance political stability and economic security in the region by sustaining alliance military cohesiveness.

Militarily, U.S. forces in Europe: provide forces to meet both traditional and new NATO commitments such as contingency operations, military-to-military contact programs, and training and exercise activities associated with the Partnership for Peace Program; deter conflicts in and around member states; and prepare for rapid deployment outside of traditional NATO defense areas.

To meet their alliance and regional combat responsibilities, our military leadership in Europe plans to sustain a combined Army/Navy/Air Force troop level ashore of 109,000 when our military drawdown in Europe is completed. This plan is the latest in a series of plans that keep changing as fiscal pressures grow and various deployment limitations are imposed by Congress. Principal among these are the overseas troop strength limitations imposed by Congress in the Fiscal Year 1993 Defense Authorization Act (Public Law 102-484). The act requires that:

-By September 30, 1996, U.S. overseas force levels may be no more than 60 percent of such force levels in place as of September 30, 1992. In effect, U.S. forces overseas must be reduced from 290,000 to 174,000 by the end of fiscal year 1996.

-Also by the end of fiscal year 1996, U.S. forces assigned to permanent duty ashore in European member nations of NATO may not exceed 100,000.

Though the military rationale for keeping any sized force in Europe is much less certain today than during the cold war, it is clear that these legislative limitations undermine the administration's defense plans defined by the "Bottom-Up Review". Moreover, the 60-percent cap will ultimately lead to additional reductions in U.S. Pacific-based forces at a most inopportune time, should our European-based force levels be kept at 109,000. Thus, the Committee strongly supports provisions in the recently approved Senate version of the fiscal year 1995 national Defense authorization bill which repeal the 60-percent cap and amend the 100,000 troop ceiling.

U.S. military operations in Europe.-For many of our troops stationed in Europe, day-to-day activities are taken up with planning for and executing Bosnian peacekeeping and Kurdish relief operations. Though these relief operations may represent the prototypical military engagements in EUCOM's future, current U.S. involvement in these seems to have provided few lessons for shaping U.S. European-based forces. In short, there remain many unanswered questions regarding the composition and use of our European forces, questions such as: Has the potential for U.S. involvement in future U.N. peacekeeping operations in the region grown or diminished? What is the likelihood that U.S. ground forces will ever become involved in a European regional or ethnic conflict? Is the force structure planned for the future the optimal one for responding to regional contingencies in Europe, peacekeeping operations, humanitarian operations, or other likely conflict scenario? Despite these unanswered questions, our uniformed leaders in Europe are convinced that, even though the military rationale for our European-based force structure is not as clear today, a U.S. military presence there guarantees an ability to respond to certain regional conflicts; an ability which, in and of itself, has some deterrent effect on the likelihood of regional conflicts erupting on the continent.

Opening up to the East.-In addition to reshaping and readying forces to meet the evolving European threat, our military leaders in Europe are concerned about another great challenge facing them; that is, leading the NATO alliance to broader, cooperative relationships with recently democratized central and East European nations. The Committee supports the efforts of our military leadership there to implement the Partnership for Peace Program and develop the Combined Joint Task Force Operations Program approved at the January 1994 NATO summit. As such, the Committee agrees to provide an additional \$30,000,000 to fund these programs in a separate account within the Joint Chiefs of Staff "Operation and maintenance" appropriation.

Disposal of excess medical and other equipment.-The Committee also conducted an extensive review of the Department of Defense's process and policies governing the disposal of medical and other equipment that has become excess to the needs of our forces based in Europe. Below is a summary of the Committee's findings:

Medical and other supplies that became excess to the needs of our Europe-based forces have had three principal sources of origin: disbanded combat units; unneeded war reserve and contingency hospital stocks; and community hospital and clinic closures. Some excess medical supplies and equipment were redistributed in theater. For example, supplies held by disbanded combat units mostly were transferred to other units in Europe. Also, some equipment once located at closed/closing medical facilities was repositioned to hospitals and clinics in Europe that will remain open. Because the military drawdown in Europe is nearing end state, this process is just about complete.

The bulk of materials declared excess to the military services' needs came from large hospital closures. By and large, these materials were sent to other nations under the auspices of the Defense Department's Humanitarian Assistance Program [HAP], the exception being those items set aside for transfer to American Samoa. Thus, much of the excess U.S. military medical items in Europe has been redistributed. Still, there are supplies and equipment which remain for redistribution.

The Committee's findings confirm that the DOD excess supply disposal process is complicated by a multiplicity of statutes and regulations and the number of governmental actors involved. Nonetheless, the Committee achieved an important measure of understanding how this process works by identifying key actors and procedural bottlenecks. These key actors include officials from the U.S. Army Medical Materiel Center in Europe, the Army's 7th MEDCOM and the Command Surgeon of the Air Force in Europe, and USAMMA and AFMLO-agencies located at Fort Dietrich, MD, which oversee worldwide medical logistics operations for the Army and Air Force, respectively.

Perhaps the most important finding by the Committee on this matter was determining the Department's current prioritization scheme for redistributing excess medical materials. Under the Department's advertised redistribution scheme, other Federal Government agencies have priority for receiving medical materials once such materials are declared excess to the military's needs. But, as noted above, much of the medical materials determined as excess to our European-based forces was provided to other nations through DOD's Humanitarian Assistance Program. In effect, the Department of Defense acted as an agent for the Department of State, so that excess materials are made available to other nations before other Federal agencies. This scheme is in accordance with statutes and regulations governing the excess equipment redistribution process, but is one that works to the disadvantage of native American, State, and local government, or any other U.S.-based groups. Therefore, the Committee directs the Secretary of Defense to make known to U.S. communities and native Americans the availability of excess equipment from the ongoing drawdown in Europe, prior to any designation of the sale or delivery of such items to other nations. A general provision (sec. 8032) and additional funding of \$5,000,000 have been added to facilitate the transfer of excess items from Europe to the United States. The Committee will work with the Department to establish mechanisms for expediting these transfers and it intends to work with each of those organizations listed above to improve the process of distributing excess medical and other supplies to needy Americans.

USACOM.-The Committee recognizes the realignment of the functions of the Atlantic Command into the new USACOM. This change enhances coordination of training, planning, and readiness programs for Conus-based forces. This initiative reflects the reduced war-fighting mission of the Atlantic Command, with the end of the cold war.

The adjustment of responsibilities for Conus-based forces within USACOM must not interfere with the specific, war-fighting roles of the forward-based unified commands-EUCOM, SOUTHCOM, CENTCOM, and PACOM. No actions under the authority of the new USACOM should interfere with the prerogatives and missions currently executed by these forward-based headquarters and units.

The Committee specifically rejects any plans to realign any forces currently assigned to the U.S. Pacific Command to the Atlantic Command or USACOM.

## FACT-OF-LIFE ADJUSTMENTS

## ARMS CONTROL



Reductions of \$20,000,000 to the military services and the On-Site Inspection Agency for arms control-related programs are recommended due to changes in the implementation schedules of the chemical weapons and START agreements. Also, certain inspection requirements assumed under these treaties and planned in the budget request have not materialized. This recommendation adjusts funding to account for these schedule and requirement changes.

#### CIVILIAN PERSONNEL EMPLOYEE LEVELS

The Committee recommends reductions totaling \$521,340,000 in operation and maintenance to account for lower civilian employee levels than assumed in the President's budget submission. The recommendations are based on data supplied by the Department of Defense which indicate: (1) that the Department's hiring freeze and separation incentives programs have resulted in civilian work force attrition rates greater than expected in 1994 in the Army, Air Force, and Defense agencies (including the Defense Health Program); and (2) the Department expects to reach lower civilian employee levels in these organizations by the end of fiscal year 1995 than assumed in the President's request. Funding levels for civilian pay in these agencies are aligned with expected 1995 work force levels.

The Army and Air Force Civilian Education and Training Program funding requests also have been adjusted to account for lower than expected personnel levels in 1995. Cuts of \$3,800,000 and \$2,950,000 are recommended for the Army and Air Force, respectively.

To facilitate the Department's efforts to shrink civilian employee rolls, the Committee recommends additional funding for civilian separation benefit programs. A total of \$177,500,000 is added. A portion of these funds (\$54,500,000) is provided to allow the Department to implement the Federal Workforce Restructuring Act provisions. The remainder is equally divided between the Army and Air Force to abet these services' efforts to meet 1995 civilian work-year levels.

#### O&M "TAIL" TO GUARD AND RESERVE PERSONNEL EMPLOYEE LEVELS

All but the Navy component of the Department's Guard and Reserve programs are expected to begin fiscal year 1995 with personnel levels lower than planned in the President's request. Thus, the Committee reduces funding for base support, transportation, and other O&M programs directly affected by these military personnel changes without jeopardizing support for or quality-of-life of military personnel. Reductions totaling \$19,100,000 are proposed.

#### MILITARY SEALIFT COMMAND RATES

Rates charged to the Department of Defense by commercial cargo carriers were reduced following the submission of the President's fiscal year 1995 Defense budget request. To account for this change, the Committee recommends reductions of \$38,100,000 to the service and defensewide operation and maintenance accounts. These reductions are allocated based on information provided by the Department.

#### ADMINISTRATIVE COSTS

##### TRAVEL

The Committee recommendation reduces the President's request by a total of \$49,500,000 to prohibit growth in the military services' travel budgets. The President's request proposes an increase in the amount of funds allocated for travel per person in the Army, Navy, Air Force, Army National Guard, Air Force Reserve, and Air National Guard. The Committee recommendation holds funding per person at 1994 levels plus inflation.

#### MANAGEMENT IMPROVEMENTS

#### DEFENSE FINANCE AND ACCOUNTING SERVICE

The Committee recommends reductions totaling \$85,200,000 to the military components' requests for purchasing accounting services from the Defense Finance and Accounting Service [DFAS]. Last year, the Congress directed DFAS to step up efforts to reduce costs and increase productivity by 5 percent throughout its operation to begin fulfilling the goals assumed under the original consolidation plan. In its fiscal year 1995 budget justification materials, DFAS claimed that it had done so and, in addition, assumed another 5 percent productivity gain for 1995. In fact, DFAS failed to abide by congressional intent in its execution of the 1994 program. The Committee learned that DFAS simply increased prices charged to its customers for fiscal year 1995 to make up the reductions approved by Congress for fiscal year 1994.

The Committee directs the DFAS to rebate the 1995 reductions by reducing its rates charged to the military services. The amounts to be rebated are shown in the table below:

Army	\$29,800,000
Navy	18,600,000
Marine Corps	5,400,000
Air Force	21,900,000
Defensewide	9,500,000

In a related matter, the Navy and Marine Corps propose to increase funding levels to cover DFAS accounting services by \$70,515,000 and \$11,800,000, respectively in fiscal year 1995. Yet, data supplied by each of the services indicate that no increase in workload is scheduled, no consolidation of functions or transfers are to occur, or any other activity change is planned that would justify the proposed program increase. When asked, neither the services nor DFAS could explain the increases. The Committee believes that the Navy and Marine Corps funding requests for DFAS services are yet another indication of the budgetary sleight-of-hand which characterizes some aspects of DFAS financial operations. Thus, the Committee urges the Comptroller of the Department of Defense to provide a detailed justification of DFAS plans for providing accounting services to the military components and the related costs for fiscal year 1995. This report should be provided to the Committees on Appropriations of the House and Senate prior to the conclusion of the conference on the fiscal year 1995 Defense appropriations bill. Until that justification is received, the Committee will withhold judgment on the disposition of the Navy and Marine Corps funding proposals.

#### SUPPLY OPERATIONS PRODUCTIVITY

Like the Defense Finance and Accounting Service [DFAS], the Defense Logistics Agency [DLA] is overseeing a sweeping consolidation of Department of Defense functions, in this case the supply management activities of the Department. This consolidation, like that of the accounting function consolidation in DFAS, is expected to promote productivity improvements and, thereby, lead to operating cost savings. To encourage DLA to expedite plans to introduce productivity/cost saving measures, the Committee recommends a total reduction of \$140,600,000 to the services' Supply Purchases Program. These funds are to be refunded to the services in the amounts listed in the table below:

Army	\$64,700,000
Navy	50,600,000
Marine Corps	7,000,000
Air Force	18,300,000

The Committee anticipates that DLA will improve operations through productivity enhancements that reduce administrative and procurement leadtimes.

#### OTHER DEFENSE PROGRAMS

##### SECURITY LOCKS

Over the past 3 years, the Committee has expressed its concern about the use of nonstandard or below standard physical security equipment. Despite repeated expressions of concern, the Defense Department only recently began a program to replace nonstandard security locks.

The Committee is well aware of the ongoing debate within the intelligence community over all aspects of security, particularly cost. The Committee reiterates its belief that savings can be achieved to offset security costs through declassifying documents, not by lowering protection standards. So, to sustain protection standards at levels prescribed by current regulation, the Committee recommends adding \$20,000,000 to the "Operation and maintenance, defensewide" account to continue the process of retrofitting containers holding top secret and secret material with locks which meet Defense and General Services Administration security standards. Further, the Department should evaluate, in light of recent security breaches, security locks as an access control system with an audit capability to provide an additional deterrent and allow improved detection. This access control system should focus security measures closer to the source.

Included again is a general provision which prohibits the use of appropriated funds to purchase, install, or otherwise repair any lock used to protect classified materials which do not meet Federal specification FF-L-2740.

#### HOUSEHOLD GOODS TRANSPORTATION

The Committee directs the Department of Defense-Military Traffic Management Command proposal to extend the interim carrier liability rate of \$1.80 per pound per article in the ITGBL Program through fiscal year 1995. During this period, none of the funds provided for in this act may be obligated to implement or discharge obligation incurred under the ITGBL Program if modified as provided for in the Federal Register of March 4, 1993.

The Committee notes that the U.S. General Accounting Office [GAO] is currently reviewing proposed increases in carrier liability rates for Department of Defense overseas household goods shipments. As part of this review, GAO has collected for analysis all available DOD computerized household goods shipment and claims data for the period 1986 through 1992. Though this is the first time such a data base has been assembled, both the carrier industry and DOD agree with GAO's methodology for collecting such data. The GAO analysis should provide detailed information regarding the cost, effectiveness, problems, and other conditions accompanying differing levels of carrier liability rates. It is the view of this Committee that any proposed legislation affecting such rates should be deferred until the results of this exhaustive study and evaluation are made known.

#### OPERATION AND MAINTENANCE, ARMY

Appropriations, 1994	\$15,952,057,000
Budget estimate, 1995	17,816,814,000
House allowance	17,886,504,000
Committee recommendation	17,525,806,000

The Committee recommends an appropriation of \$17,525,806,000. This is \$291,008,000 below the budget estimate and \$360,698,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Army funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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## COMMITTEE ADJUSTMENTS

### ARMY FUNDING PRIORITIES AND BUDGET JUSTIFICATIONS

For each of the past 3 fiscal years, the Army proposed what it purported to be sufficient funding levels in its budget requests to support training operations at a minimum of 800 tank-miles per year. This level of training is viewed as the standard that must be met to preserve Army ground force readiness. Thus, for each of the past 3 fiscal years, Congress provided the amount requested by the Army for these unit training programs.

Despite congressional approval of the budget requests and training plans as submitted, the Army failed to train at the 800-mile rate in 1992 and 1993, and again will fail to do so in 1994. Instead, the Army transferred funds from unit training programs to infrastructure support programs such as base operations. That such transfers occurred is not surprising, given that the Army failed to receive burdensharing and residual value payments from foreign governments as assumed in the Army's O&M budget. Still, the Army chose to transfer funds from unit training programs when it had other options.

The Army's past handling of its O&M program demonstrates a clear need for the service to improve its financial management. This situation gives rise to several problems to which the current leadership of the Army's financial operations must attend:

- First, at a minimum, the credibility of the Army's justification of its O&M program has been damaged.

- Second, Army claims about the paramount need to preserve readiness are suspect. Why would the Army put its training programs at risk by assuming it would receive burdensharing contributions (a highly dubious prospect) in order to fund those programs? Why would the Army purposefully transfer funds from critical readiness and training programs to infrastructure support programs?

- Third, if the Army truly intends to preserve readiness, then perhaps it does not have the budgeting tools and accounting controls to do so-an equally unsettling prospect.

The Committee understands that training at the 800-mile-per-year standard is not the be all and end all of achieving preparedness for combat. Nonetheless, the Army once again has declared in its testimony and budget justification materials submitted to the Committee that training at the traditional 800-mile standard is one of its priorities. And, once again, the Committee fully supports that priority. But, it does so only on the condition that transfers of any amount from the following subactivity groups be subject to standard reprogramming procedures: Combat units, tactical support, and force-related training/special activities. In addition, the Secretary of the Army shall provide a report to the congressional defense committees detailing the financial execution of these subactivity groups on a bimonthly basis beginning January 1, 1995, and continuing through the remainder of fiscal year 1995.

The practice of transferring funds from critical unit training programs to other activities is not acceptable. The Committee supports the efforts of the Army's current financial management leadership to correct the aforementioned problems and will continue to work with the Army to address these and related issues.

### O&M SUPPORT OF MILITARY FORCES

European base operations.-The Committee recommends an increase of \$47,000,000 to the Army's operating forces base support programs, thereby reducing a shortfall in the U.S. Army European Command [USAREUR] base operations budget for fiscal year 1995. The additional funds should be used first to meet all health and safety-related maintenance and repair projects not funded in the command's request. By providing these funds, the Committee expects that the propensity to transfer funds from other operation and maintenance programs-particularly USAUREUR's unit training programs-to cover infrastructure support costs will be minimized.

RetroEur/FutureEur.-Since fiscal year 1991, Army troop levels in Europe have decreased markedly. In the wake of these personnel reductions, significant quantities of equipment, supplies, ammunition, and other materials have been left to await return to the United States, sale to foreign countries, or disposal through some other means. Until recently, the Army was forced to cover out of pocket the costs for maintaining and transporting these items, largely at the expense of critical readiness-related programs such as operational training. The Committee believes that such an imbalance in the use of Army operation and maintenance resources could lead to an erosion of readiness. Therefore, the Committee provides an additional \$40,000,000 for the Army's RetroEur Program, an amount that will allow the Army to meet 100 percent of its material retrograde requirements for fiscal year 1995.

Helicopter training in Israel.-To aid the Army's efforts to establish a heavy mechanized/helicopter training program in Israel, \$10,000,000 in additional unit training funds is recommended.

Noncombat command base operations support.-The Army's 1995 O&M proposals call for large funding increases in the base operations support programs of certain Army noncombat commands, including the Training and Doctrine Command and the Military District of Washington. Such increases come at the expense of programs more directly related to preserving force readiness, foster a continuing reliance on an increasingly unaffordable infrastructure, and are out of step with the fiscal constraints facing the Army. A reduction totaling \$71,700,000 is recommended, reducing by one-half the real funding growth proposed for such commands.

Hawthorne Army Ammunition Plant.-The Committee is aware that the rail line connecting the Hawthorne Army ammunition plant to the commercial rail network has deteriorated to unacceptable levels. Moreover, it notes that the Army included in its fiscal year 1995 request for strategic mobility programs an amount to begin repairing this rail line. To assure that this project is fully funded in fiscal year 1995, the Committee directs that the Army allocate not less than \$7,500,000 from within funds approved for strategic mobility programs to initiate repair of this rail line.

Military Entrance Processing Command.-The Committee is concerned that examining costs per accession are increasing beyond expected rates. The Army is directed to review examining costs and take appropriate action-should it be warranted-to keep examining costs per accession at prior year level plus inflation only. With this direction, the Committee estimates that \$3,400,000 could be made available to meet other efforts. Thus, the Committee directs that such an amount be reapplied to the military entrance processing station [MEPS] office automation efforts. Application of these funds to office automation will yield future savings by improving the efficiency of the current records management system.

#### ADMINISTRATIVE ACTIVITIES

Contributions to the NATO budget.-The Committee recommends reducing funds requested to finance the U.S. share of NATO headquarters costs by \$14,600,000, aligning funding in this program with the amount to be contributed to NATO under the cost-sharing formula agreed to by the allies. A general provision, section 8074, is included prohibiting the U.S. Department of Defense from providing more than \$119,200,000 to cover 1995 NATO headquarters operations costs. This would permit the United States to cover up to 28.9 percent of NATO headquarters costs.

Administrative work-years.-The Army proposes to increase work-year levels in administrative support activities by 729 from fiscal year 1994 to 1995. This is out of step with the ongoing defense drawdown and fiscal retrenchment facing the Department. A reduction of \$46,000,000 and 1,000 work-years is recommended to align funding and work-year levels in administrative programs with changes in forces and personnel supported.

Real estate administration.-The Committee provides \$500,000 for design and planning activities to facilitate the Hawaii Family Housing Deficit Reduction Program. These additional funds are to be used to support the design of the Helemano Road project approved in the Senate fiscal year 1995 Military Construction appropriations bill.

Life Sciences Equipment Lab.-Last year, Congress provided \$500,000 to the Army's POW-MIA Program for the Life Sciences Equipment Lab [LSEL] to underwrite its work supporting the joint task force-full accounting. The Committee commends the Army and the Air Force for the rapidity with which personnel and equipment were brought together to tackle the backlog of POW-MIA cases at LSEL. Recognizing that the Army is the executive agent for casualty operations, the Committee once again adds \$462,000 to the Army's POW-MIA Program to continue the joint task force. The Committee directs the Army to properly budget for the LSEL's POW-MIA operations in its fiscal year 1996 request.

MTMC pricing.-Budget justification materials submitted to the Committee indicate price increases for Military Traffic and Management Command services to be provided to the Army are overstated. To correct this overstatement, a reduction of \$9,060,000 is recommended.

## ENVIRONMENTAL PROGRAMS

Conservation programs.-To carry out its assigned mission of protecting our Nation's security, the Department of Defense [DOD] conducts operations daily at installations throughout the United States and the world. Many of these activities are necessary to preserve the state of readiness of our military forces. However, in some cases, these activities have the potential to adversely affect the unique plant and animal life naturally occurring at many DOD installations. To balance these sometimes competing concerns, the DOD must develop a better awareness of the species existing on military installations and consider courses of action which minimize the impact of the military activities on the environment.

Few, if any, military installations in the world can match the diverse array of plant and animal life which exist on military installations in the State of Hawaii. While the Army has made progress in identifying species impacted by military operations in the State, much work remains to be done to ensure that the delicate environment and unique plant and animal life on military installations can coexist with the daily activities which our forces must complete. The Committee is aware of a proposal to develop a comprehensive program which implements urgent conservation actions, establishes a monitoring and data base system, and promotes partnerships and community involvement. The Committee directs that, of the funds available to the Army for conservation activities, \$5,700,000 shall be made available only to proceed with the proposed ecosystem management program which will aid the Army in meeting both its legal obligations under the Endangered Species Act and its mandate to preserve the readiness of our forces.

Waste water treatment.-The Army has a growing requirement to discharge or treat waste water produced through day-to-day military operations associated with the Schofield Barracks facilities. To date, the Army has discharged effluent on agricultural lands at no cost. The limited amount of land available in Hawaii and the increasing pressures to develop agricultural lands make it necessary for the Army to take steps to maintain the current disposal process. To this end, the Committee provides an additional \$15,000,000 and directs that these funds shall be available only to purchase a 10-year easement from the Waialua Sugar Co., on the island of Oahu for the discharge of waste water produced by military activities.

The Committee recognizes that this is an interim solution and that the Army must continue to identify and assess future waste water disposal options. Therefore, the Committee provides \$750,000 to continue the analysis and planning efforts of the joint agency waste water task force which was established by the Army this year.

Asbestos abatement and conversion.-The Committee provides an increase of \$1,500,000 to acquire and operate asbestos conversion equipment for use at Aberdeen Proving Ground [APG]. This equipment will provide the Army with the capability to reduce the cost and increase the efficiency of the APG Asbestos Abatement Program.

## OPERATION AND MAINTENANCE, NAVY

Appropriations, 1994	\$20,010,309,000
Budget estimate, 1995	21,226,570,000

House allowance	21,366,555,000
Committee recommendation	21,325,770,000

The Committee recommends an appropriation of \$21,325,770,000. This is \$99,200,000 above the budget estimate and \$40,785,000 below the House allowance.

## SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Navy funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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## COMMITTEE ADJUSTMENTS

### O&M SUPPORT OF MILITARY FORCES

Shipyards modernization.-The Committee recommends an addition of \$83,100,000 to enhance the Navy's Shipyard Modernization Program. Of the amount added, \$29,600,000 is to be provided for the Navy's Advanced Industrial Management [AIM] Program. The AIM Program is a major initiative to reengineer naval shipyard business practices and equipment, thereby substantially reducing ship depot maintenance costs in the future. The funds will be used to purchase new capital equipment, such as portal cranes, and computer-aided design and manufacturing systems. The remainder of the funds shall be used to improve shipyard production processes (\$16,700,000) and modernize plant facilities (\$36,800,000) based on a plan submitted to the Committee by the Navy.

SSBN maintenance delay.-Due to the lengthening of the SSBN operating cycle from 12 to 14 months, the Navy recently notified the Committee of its intention to delay the engineering overhaul of two submarines assumed in its 1995 O&M request. To account for this delay, a reduction of \$23,000,000 is recommended.

Naval Academy renovation/barracks repairs.-The Committee recommends reducing by one-half the planned increase for real property maintenance and renovation activities at the Naval Academy; this amounts to a reduction of \$14,450,000, but will still provide a \$13,960,000 increase for real property maintenance at the Academy in 1995. The Committee directs that these savings be added to the Navy's request for repair and renovation of enlisted barracks quarters located at facilities in the United States (other than the Naval Academy). The Committee notes that the increase requested by the Navy for Naval Academy renovations alone is almost 50 percent greater than the increase proposed for all barracks repairs throughout the Navy.

## ADMINISTRATIVE COSTS

Work-year pricing.-The Navy plans to reduce civilian personnel levels in its administrative and support functions in fiscal year 1995. The Committee's review of the Navy plans indicate that the service failed to properly price these reductions, resulting in an unintended overbudgeting of the Administrative Civilian Payroll Program. Thus, the Navy's administrative and servicewide support accounts are reduced by \$8,300,000 to reflect a more appropriate work-year pricing.

Contract advisory assistance services.-The Committee adjusts funds requested for certain contract advisory assistance programs, eliminating funding growth proposed for studies and analyses. Funding is held to the 1994 level after adjusting for inflation and a percentage reduction corresponding to the rate of change in forces and personnel supported. A reduction of \$9,200,000 is made.

Underutilized plant capacity.-Last year, the Committee recommended eliminating proposed funding to subsidize naval weapons stations and shipyards for underutilized plant capacity. In the past, appropriated funds were provided to Navy industrial maintenance facilities with excess plant capacity under the justification that such funding would preserve this industrial base. But the \$56,653,000 identified for this program in the Navy's 1995 request amounts to little more than a subsidy for Navy weapons stations and shipyards. The Committee believes that providing a direct appropriation to subsidize these facilities runs contrary to the Department's efforts to capture the full cost of industrial facility operations under the defense business operations fund initiative. Thus, the Committee directs the Navy to withhold the expenditure of these funds until such time as the Navy submits a report to the Committees on Appropriation of the House and Senate which fully explains the Department's rationale for continuing this subsidy. That report should be submitted to the Committees no later than January 1, 1995.

The Nimitz Center.-To facilitate a broader understanding of the U.S. military, diplomatic, and economic roles in the Pacific, and its military and economic relations with its allies and adversaries in the region, the Committee directs the Navy, in consultation with regional and policy experts in the Office of the Secretary of Defense, to develop a Chester W. Nimitz Center. This center shall be patterned after the George Marshall Center recently established in Germany. Like the Marshall Center, the Committee intends for the Nimitz Center to offer advanced study and training in civil-military relations, democratic institution and nation building, and related courses to members of the U.S. military and militaries of other Pacific nations. The Committee intends to work with the Department over the coming months to clarify planning schedules, reporting deadlines, and course content, among other items.

Charleston naval complex.-Reuse studies of Charleston Naval Shipyard reveal that certain problems with the utilities system, buildings, and other infrastructure will serve to hinder development and implementation of reuse plans for the base. For example, these studies indicate that many buildings are in need of significant repairs and that as much as 18 percent of the existing structures on the base have no economic utility. In order to expedite reuse of the facilities located on the Charleston naval complex and reduce future Navy operations and support costs, the Committee agrees to provide \$6,000,000 for repair, refurbishment, and demolition projects there in fiscal year 1995.

On-demand publishing systems.-The Committee is aware of new advances in on-demand publishing systems that replace less efficient documentation management systems based on economic order quantities and emergency order levels. The Committee commends the Defense Printing Service [DPS] and the Navy for recognizing the advantages of an on-demand publishing system and for beginning to acquire the equipment and software needed to move to an advanced technology documentation management system. To expedite the Navy's efforts in this regard, the Committee directs the Navy to increase funding for the expansion of the on-demand publishing system by \$10,000,000 from within funds available to DPS.

Alcohol rehabilitation facilities.-The Committee recommends an increase of \$1,000,000 to sustain operations at the Naval Alcohol Rehabilitation Center in Pearl Harbor at fiscal year 1994 levels.

U.S.F. Constellation.-The Committee directs the Navy to initiate a damage survey of the U.S.F. Constellation in preparation for potential future reparations and maintenance; an increase of \$1,000,000 is added to fund this survey.

## ENVIRONMENTAL PROGRAMS

Environmental technology.-The Committee denies \$6,100,000 requested for environmental technology projects within the "Operation and maintenance, Navy" account. The Committee believes these projects should compete for funds within the amounts appropriated for environmental technology efforts within the "Research, development, test and evaluation" accounts.

Maritime enforcement.-The Navy plays a key role in the enforcement of the United States and international mandates outside the coastal zone of responsibility managed by the Coast Guard. The Navy's unique maritime surveillance assets are vital to the effectiveness of the U.S. sanctioned international prohibition on drift net fishing. The Committee expects the Navy to participate in the national and



international enforcement effort in support of the drift net ban. The Committee also expects that available Navy surface, undersea, and airborne monitoring systems can be integrated into the national effort to preserve this natural resource, in support of the U.N. mandate.

#### OPERATION AND MAINTENANCE, MARINE CORPS

Appropriations, 1994	\$1,857,699,000
Budget estimate, 1995	1,918,395,000
House allowance	2,097,395,000
Committee recommendation	1,968,965,000

The Committee recommends an appropriation of \$1,968,965,000. The recommendation is \$50,570,000 above the request and \$128,430,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Marine Corps funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### O&M SUPPORT TO MILITARY FORCES

Operating forces.-An increase of \$12,000,000 for operating forces is provided to offset a funding shortfall contained in the Marine Corps O&M request for this program. Also, an additional \$12,000,000 is provided for unit equipment maintenance in order to assure that Marine Corps training activities are not hindered by equipment shortages. These increases, in conjunction with a combat vehicle depot maintenance funding increase discussed earlier in this report, should allow the Marine Corps to train at operating rates prescribed in the service's 1995 plan.

Ammunition rework.-This recommendation cuts \$3,000,000 proposed for ammunition rework. In last year's Defense Appropriations Act, the Congress directed the Marine Corps to make a similar reduction in its ammunition rework program funding request, given a reported backlog of items and ammunition returned from Southwest Asia and awaiting repair. Information supplied by the Marine Corps indicate the service failed to abide by this direction and, in fact, increased funding for the program.

#### ADMINISTRATIVE COSTS

Civilian work-year adjustment.-Data submitted by the Marine Corps reflect an increase for civilian pay funding that is in excess of that required to cover civilian worker costs in administrative-type activities in fiscal year 1995. A reduction of \$830,000 is recommended.

#### ENVIRONMENTAL PROGRAMS

Environmental technology.-The Committee denies \$1,000,000 requested for environmental technology projects within the "Operation and maintenance, Marine Corps" account. The Committee believes these projects should compete for funds within the amounts appropriated for environmental technology efforts within the "Research, development, test and evaluation" accounts.

#### OPERATION AND MAINTENANCE, AIR FORCE

Appropriations, 1994	\$19,293,805,000
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Budget estimate, 1995	19,076,623,000
House allowance	18,963,050,000
Committee recommendation	18,836,243,000

The Committee recommends an appropriation of \$18,836,243,000. This is \$240,380,000 below the budget estimate and \$126,807,000 below the House allowance.

## SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Air Force funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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## COMMITTEE ADJUSTMENTS

### O&M SUPPORT TO MILITARY FORCES

Depot level repairables [DLR's].-The Committee adds \$86,000,000 for DLR's, cutting by one-half a funding shortfall for these items. DLR's are large engine and airplane parts which normally are maintained at the Air Force's industrial repair facilities. These items are critical to sustaining air operations; without an ample supply, the Air Force risks being unable to achieve its operational tempo planned in the 1995 budget request. The potential shortfall arises from overly optimistic savings assumptions made by the Air Force in its budget submissions for both 1994 and 1995.

AWACS training.-In light of recent reports describing a need to enhance training programs for AWACS aircraft crewmembers, the Committee recommends an increase of \$16,000,000 for AWACS training activities.

B-52 bomber force levels.-In response to the Committee's concerns about the viability of the Air Force's bomber force to meet combat requirements prescribed by the "Bottom-Up Review," the Air Force is directed to sustain B-52 bomber force levels at the fiscal year 1994 level. The Committee understands that satisfying this direction will require the Air Force to retain 34 B-52 bombers now in a PAA status that are slated for placement in attrition reserve in the service's 1995 budget plans. An increase of \$69,700,000 is provided to cover operations and support costs of these additional aircraft in fiscal year 1995.

European command drawdown/base operations.-The Committee recommends an increase of \$5,000,000 to the Air Force's operating forces base support programs to reduce potential shortfalls in the U.S. Air Force European Command [USAFE] base operations budget caused by unanticipated costs of the drawdown there. The additional funds should be used first to meet health and safety-related maintenance and repair projects not funded in the command's request. By providing these funds, the Committee expects that the propensity to transfer funds from other operation and maintenance programs-particularly unit training programs-to cover infrastructure support costs will be minimized.

Joint exercises/COPE THUNDER.-The Committee recommends an additional \$3,000,000 to support the participation of Pacific region allies in the COPE THUNDER exercise program. This initiative renews the longstanding regional component of the COPE THUNDER exercises, when conducted at Clark Air Base in the Philippines prior to 1991. Also the Committee recommends an increase of \$9,000,000 for the Air Force's joint exercise program, eliminating a funding shortfall for this program.

Strategic offensive modernization.-The Committee recommends reducing proposed funding levels for strategic missile modernization programs. The Air Force proposed an ambitious expansion of its Minuteman

III life extension and Rivet Mile programs in 1994, requiring an increase in funding of almost 20 percent over 1993 levels. The Committee agreed last year that such an expansion was out of step with the fiscal constraints facing the Department and the reduced nuclear threat facing the Nation. Funding of \$290,135,000 was provided in 1994 by Congress-a reduction of \$24,500,000 from the Air Force request. This amount would have allowed the program to expand, but at a slower rate. Information submitted by the Air Force indicate that the service failed to slow the program; in fact, the Air Force chose to increase funding for the program, contradicting congressional intent and robbing other programs of funding. In 1995, the Air Force plans to fund these strategic modernization efforts at the increased levels. Again, the Committee believes this is out of step with today's fiscal imperatives and threat environment. A reduction totaling \$34,900,000 is recommended for these programs, keeping funding to 1994 levels plus inflation and a measured real funding increase. The Committee directs the Deputy Assistant Secretary of the Air Force (budget) to submit a detailed report of the funding profile, plans, and status of these programs by January 1, 1995.

B-1 bomber conventional upgrades.-After reviewing the Air Force plans to upgrade the B-1 bomber, the Committee concludes that the need for operation and maintenance funding in this program has not materialized. This is especially so in light of the Committee's direction (contained in another section of this report) to the Department to conduct an indepth analysis of bomber force programs and related combat requirements. To account for these findings, a reduction of \$36,440,000 is recommended. Nonetheless, the Committee's recommendation provides sufficient funding for B-1 operations in 1995 to meet planned operating levels.

TF-coded fighter training.-The Committee's review of the Air Force's Companion Training Program and other TF-coded flying hour programs indicate the service has budgeted amounts in excess of those required to execute the training program as planned. A reduction of \$19,230,000 is recommended, aligning funding for these programs with flying hour plans assumed in the Air Force request.

Noncombat command base operations.-The Committee recommends reductions of \$35,930,000 for noncombat commands' base operations, aligning funding levels with changes in infrastructure and personnel supported. Data provided to Congress indicate that Air Force schoolhouse training infrastructure (buildings, runways, and so forth) will decrease by about 9 percent in 1995. After discounting for the effects of inflation, and allowing for real property maintenance funding and workload increases, it is clear that the Air Force overfunded its base operations program by about 7.3 percent; thus, reductions are made accordingly.

F-16 DT&E/ICS/PGSE.-Information supplied by the Department of Defense indicate that funding for F-16 development, test, and evaluation and related programs was inadvertently included in the Air Force's operation and maintenance budget request. Funding of \$70,700,000 is deleted from the "O&M" account; program content and funding levels for these programs are considered in the procurement and RDT&E sections of this report.

Second destination transportation.-Air Force military personnel end strength in Europe will reach a level below that anticipated in the Air Force's fiscal year 1995 operation and maintenance request. As such, amounts requested for second destination transportation are adjusted to account for the resulting decrease in transportation requirements for 1995. A reduction of \$1,300,000 is proposed.

#### IDAHO TRAINING RANGE

The Committee is concerned about the Air Force plans to develop a new training range in southern Idaho. The proposed expansion lacks a comprehensive analysis to determine if existing facilities can meet current and projected needs. Also, the Committee is concerned that the Engle Act and aboriginal rights of native Americans have not been properly considered in the proposal for the Idaho training range. Therefore, the Committee directs that no funds appropriated under this act, or any future act, be obligated for acquisition of equipment for or operation of the proposed Idaho training range until the Secretary of Defense has provided the Committee with a long-term land-use plan for the proposed expansion and explains why existing facilities are unable to be used in lieu of the new acquisitions. Also, the Committee directs that the Secretary of Defense and the Secretary of the Interior jointly provide an explanation of how the Engle Act applies to this land transfer and what has been done to resolve the issue of aboriginal rights to the land in question.

## ADMINISTRATIVE COSTS

Off duty and voluntary education.-The Committee believes the Air Force budget estimate for off duty and voluntary education should be revised to reflect actual execution experience through the first half of fiscal year 1994. For the first half of the year, the cost per enrollment is significantly lower (-27.3 percent) than was projected. Application of the fiscal year 1994 actual cost per enrollment to date, escalated for inflation, and applied to the fiscal year 1995 budgeted number of enrollments would support a reduction of \$23,100,000. A reduction of only \$15,000,000 is proposed to allow for possible increases in the cost per enrollment or the number of enrollments.

## OTHER AIR FORCE PROGRAMS

Civil Air Patrol.-The Committee directs the Secretary of the Air Force to provide, at a minimum, the following amounts for the Civil Air Patrol:

### CAP-Air Force:

Military personnel	\$4,040,000
Mission support (O&M)	2,110,000
CAP operations:	
O&M	8,300,000
Procurement	2,500,000
Counternarcotics	2,600,000

The amounts listed above are \$3,800,000 more than requested by the Air Force for Civil Air Patrol operations and maintenance.

129th Rescue Group.-The Committee understands that the National Guard Bureau, in coordination with the Air Force, is planning to replace the 129th Rescue Group's HH 60G Pave Hawk helicopter that was unfortunately destroyed during a training mission while on loan to the active Air Force. The Committee expects this replacement to occur as planned in fiscal year 1995.

## OPERATION AND MAINTENANCE, DEFENSEWIDE

Appropriations, 1994	\$9,456,801,000
Budget estimate, 1995	10,208,413,000
House allowance	8,945,266,000
Committee recommendation	10,086,654,000

The Committee recommends an appropriation of \$10,086,654,000. This is \$121,759,000 below the budget estimate and \$1,141,388,000 above the House allowance.

## SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, defensewide funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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## COMMITTEE ADJUSTMENTS

## O&M SUPPORT TO MILITARY FORCES

JCS exercises.-An increase of \$5,000,000 is recommended for the JCS exercise program to fund costs of the northern edge/Pacific region exercise not covered in the President's request.

Military-to-Military Contact Program.-Funding for this program has been considered in the Senate Foreign Operations, Export Financing, and Related Programs appropriation bill for 1995. Thus, a reduction of \$46,300,000 is recommended.

## DEFENSE CONVERSION/TRANSITION ASSISTANCE PROGRAMS

Military youth programs.-The Committee is pleased with the maturing ChalleNGe and STARBASE programs and approves the \$61,400,000 included in the budget for these National Guard youth programs. In addition, the Committee approves \$10,000,000 requested for civil-military pilot programs. Because the Committee recognizes that emergent community service opportunities are being missed because of the strictures of the budget cycle, a general provision (sec. 8107) approves \$5,000,000 so that the Department can avail itself of these emergent opportunities. These funds are to be made available for pay and allowances, under the management of the Office of the Assistant Secretary of Defense for Reserve Affairs, for this purpose. The Committee envisions that this funding will be utilized as seed money for programs that are programmed and budgeted in the following fiscal year.

Impact aid.-The Department's efforts to reduce military forces, return forces deployed overseas to bases in the United States, and close bases have created turbulence and uncertainty in many school districts serving large populations of military dependents. The Committee is concerned that such large shifts in student population will result in economic chaos in those districts most affected by these actions. Thus, the Committee recommends a general provision which appropriates \$119,000,000 for aiding school districts affected by such shifts in student population. These funds will be used for assisting elementary and secondary schools affected by both large reductions or increases in military-dependent schoolchildren served. Of the amount provided, \$8,000,000 is specifically provided for use by the Secretary of Defense to aid school districts faced with significant student losses due to military base or other organization closings.

Service Members Occupational Conversion and Training Act.-The Committee is concerned that funds appropriated in fiscal year 1993 for the Service Members Occupational Conversion and Training Act [SMOCTA] will soon expire without the full appropriation having been used for the purposes intended. The Committee urges the executive branch agencies responsible for this program to act expeditiously to obligate these funds prior to the fiscal year's end. In the meantime, the Committee intends to reexamine this issue prior to the conclusion of the House-Senate conference.

## ADMINISTRATIVE COSTS

Department of Defense dependent schools.-The Committee views with concern the underrepresentation of minorities within the teacher work force and in the school level supervisory and above-school level educator positions within the Department of Defense dependent schools [DODDS]. With the exception of parents, teachers are the most significant role models to which students are exposed. The underrepresentation of minorities in the teacher ranks results in a lack of minority role models for minority students. DODDS is encouraged to expand minority recruitment with a goal of achieving a representation of minority teachers that mirrors the minority share of the total DODDS student population.

Further, DODDS is directed to increase minority participation in the Educator Career Program. The Committee understands that this program is used for the promotion and placement of candidates in school level supervisory and most above-school level educator positions and that a large proportion of the current DODDS senior management are alumni of this program. Increasing minority participation will help ensure that there are an increased number of minority candidates eligible for advancement into these higher level positions and ultimately into DODDS senior management.

The Committee directs that the Under Secretary of Defense for Personnel and Readiness submit a report not later than June 30, 1995, on the Department's progress in achieving increased minority representation in teaching positions and in the Career Educator Program.

Counterproliferation studies.-In accordance with a recommendation approved in the Senate version of the fiscal year 1995 national Defense authorization bill, a reduction of \$30,300,000 to the Department's request for counterproliferation studies and related programs is made. Funding for this program is addressed in the RDT&E section of this report.

Defense Contract Management Command.-The Committee notes that the number of contracts on hand per employee of the Defense Contract Management Command [DCMC] has fallen in recent years, manifesting a reduction in caseload per worker. This runs contrary to the imperative of increasing efficiency and productivity in the Department's service-related activities. Thus, a reduction of \$36,500,000 in DCMC's operations request is proposed to encourage an increase in worker efficiency to fiscal year 1992 levels.

National defense stockpile.-The Committee recommends deleting \$100,000,000 of funding requested under this heading, to be offset by a transfer of the same amount from the national defense stockpile.

#### OTHER DEFENSE PROGRAMS

Military school maintenance.-The Committee directs that not less than \$20,000,000 be made available for bringing federally owned education facilities on military installations up to acceptable health and safety standards. The Committee directs that priority be given to facilities operated by local education agencies identified in the joint study of the Departments of Defense and Education directed by section 2726 of Public Law 99-661 as having the most severe problems. Preference also should be given to those local education agencies serving multiple major military installations.

Antilles Consolidated School.-The Committee directs that funds made available under this act be allocated by the Department of Defense to allow children attending the Antilles Consolidated School systems during school year 1994-95 to continue to attend this school as long as the child resides with a parent who is and remains an employee of the U.S. Customs Service and whose post of duty is Puerto Rico.

Teacher training programs.-The Committee is aware of a program which facilitates the training of teachers in an effort to improve the quality science education in schools. Under the Foundation Approaches in Science and Technology [FAST], course materials and curriculum plans have been developed which expedite and enhance the training of science teachers. Initial steps have been taken to convert FAST course materials into Russian. This program offers an exciting new avenue for cooperation between the United States and the nations of the former Soviet Republics. The Committee urges the Department of Defense to explore continuation and expansion of this program, to include creation of a network linking economic and educational development centers.

Molecular and pharmacological investigations of stress.-The Committee is aware of proposal to conduct molecular and pharmacological investigations on the effect of stress on minorities and other members of the military forces. The project would focus on issues such as mitigating the effects of post-traumatic-stress syndrome and the assessing the impact of military service-related stress on the development of diabetes in minorities. The Committee believes this proposal has merit and urges the Department of Defense to complete a study of the proposed project.

DFSC Anchorage terminal.-The Committee recognizes the review currently underway at the Defense Fuel Supply Center concerning future requirements for the Anchorage terminal facility. The Committee expects DFSC to consider all possible alternative means to meet the fuel needs of the 11th Air Force, including commercial contracting for fuel and the long-term lease of commercial fuel storage facilities. The current facility in Anchorage poses a severe risk to nearby communities. The Committee provides \$500,000 for the detailed planning for utilization of alternative facilities to meet the mission requirements now accomplished by the DFSC Anchorage terminal.

CTW educational programs.-The Committee recognizes the existing quality of military child care programs and remains committed to maintaining and enhancing these programs for pre-school children. The Committee is aware of the "Children's Television Workshop's" nationwide initiatives to provide educational programming and materials for use in before-and-after programs, to assist families to become their children's first teacher, and to train child care professionals, teachers, and military families. The Committee encourages the Department to provide an additional \$5,000,000 to implement such educational programs as a way to provide quality program choices for the military and to address issues of parental involvement, developmentally appropriate activities, and care provider training.

#### ENVIRONMENTAL PROGRAMS

Legacy.-The Committee provides \$50,000,000 to continue the Legacy Resource Management Program, an increase of \$40,000,000 to the budget request, and directs that these funds shall be made available only to continue the Legacy Program.

U.S. Pacific Command environmental compliance.-The Committee recommends \$20,000,000 for a new U.S. Pacific Command [PACOM] environmental compliance initiative. The Committee recognizes the important responsibility facing the Pacific Command to operate and maintain installations at remote locations. To ensure that adequate funds are available to meet the critical environmental compliance requirements at Pacific Command bases located in the United States, the Committee expects the commander in chief, U.S. Pacific Command, to allocate these funds for execution among the PACOM component commands, to address category II and category III compliance cases. These funds are in addition to amounts appropriated to the military services in other operation and maintenance accounts. The commander in chief, U.S. Pacific Command shall provide the Committee with the allocation of these funds by installation in the United States not later than February 15, 1995.

Federal Energy Management Program.-The Committee directs that \$1,000,000 of the funds budgeted for energy management programs be used specifically to improve energy usage of DOD buildings dedicated to humidity removal, ventilation, or air-conditioning.

#### SOF OPERATION AND MAINTENANCE

The Committee recommends the following adjustments to the Special Operations Command's operation and maintenance request:

USSOCOM schoolhouse training.-The Committee believes that the USSOCOM growth in unit cost per student-day of training is excessive. Cost per student-day has increased by 40 percent from the escalated fiscal year 1993 actual value. A reduction is proposed to align the average cost per student-day in fiscal year 1995 to one nearer to the expected value. The Committee recommends a reduction of \$9,500,000.

In a related matter, the Committee believes that funding for outfitting and startup costs for a special operations medical training center [SOMTC] is requested in advance of the actual requirement. The SOMTC is a major military construction project included in the fiscal year 1994 appropriation. Completion of the facility is unlikely before fiscal year 1997; thus, funding of outfitting and startup costs need not occur until the fiscal year prior to facility completion. Accordingly, the Committee recommends reducing the budget estimate by \$2,300,000.

Arctic training.-The Committee directs the commander in chief, U.S. Special Operations Command, to evaluate the requirement for and utilization of arctic environment trained special operations forces. The report should address how such forces shall be organized, trained, and equipped. Attention should be focused on the involvement of existing National Guard and Reserve units. The Committee notes the special capabilities of the 207th Scout Battalion of the Army National Guard, which conducts extensive arctic environment training and operations in support of the U.S. Pacific Command. The commander in chief, Special Operations Command shall submit this report to the Committee not later than May 1, 1995.

#### OPERATION AND MAINTENANCE, ARMY RESERVE

Appropriations, 1994	\$1,075,140,000
Budget estimate, 1995	1,253,709,000
House allowance	1,240,109,000
Committee recommendation	1,253,709,000

The Committee recommends an appropriation of \$1,253,709,000. This is the same as the President's budget and \$13,600,000 above the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Army Reserve funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### OPERATION AND MAINTENANCE, NAVY RESERVE

Appropriations, 1994	\$763,137,000
Budget estimate, 1995	827,819,000
House allowance	834,119,000
Committee recommendation	827,819,000

The Committee recommends an appropriation of \$827,819,000. This is the same as the President's budget and \$6,300,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Navy Reserve funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Appropriations, 1994	\$83,130,000
Budget estimate, 1995	81,462,000
House allowance	83,542,000
Committee recommendation	80,562,000

The Committee recommends an appropriation of \$80,562,000. This is \$900,000 below the President's budget and \$2,980,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Marine Corps Reserve funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below.



Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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Marine Corps Reserve aviation.-According to the "Bottom-Up Review," six Marine Corps, Reserve F/A-18 squadrons are needed to prosecute the two nearly simultaneous major regional contingencies. Current plans are to decommission two of the existing squadrons in October of this year. In rapidly developing situations, the Marine Corps Reserve will be called upon to make up for this shortfall.

The Committee is concerned that marine expeditionary forces may not have enough dedicated airborne firepower. The Department of the Navy is, therefore, directed to provide to the Committee a report on dedicated marine aviation. The report should identify the functions of, and requirements for, dedicated marine aviation for marine expeditionary forces. The report should address any current or projected shortfalls that exist as well as service plans to remedy the same. The Committee should receive this report within 6 months after enactment of this legislation.

#### OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Appropriations, 1994	\$1,335,354,000
Budget estimate, 1995	1,478,990,000
House allowance	1,486,805,000
Committee recommendation	1,455,872,000

The Committee recommends an appropriation of \$1,455,872,000. This is \$23,118,000 below the President's budget and \$30,933,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Air Force Reserve funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Appropriations, 1994	\$2,230,419,000
Budget estimate, 1995	2,447,148,000
House allowance	2,498,868,000
Committee recommendation	2,442,135,000

The Committee recommends an appropriation of \$2,442,135,000. This is \$5,013,000 below the President's budget and \$56,733,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Army National Guard funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### COMMITTEE ADJUSTMENTS

Administrative and management expenses.-The Committee recommends a reduction totaling \$6,980,000 for Army Guard information system, staff management, and administrative funding requests. The Guard's budget request for these program categories included funding increases in amounts greater than appropriate in light of the fiscal constraints facing the Department. Thus, funding for these activities is held at the 1994 level plus inflation.

MEDRETES/Guard care.-The Committee directs the Army National Guard to continue the MEDRETES/Guard Care Program and provides an additional \$5,000,000 for this purpose.

Oregon National Guard aviation facility.-The Committee recommends \$900,000 in addition to amounts otherwise appropriated in this account for aviation facility enhancements for the Oregon National Guard. These funds will ensure maximum utilization of existing facilities by permitting reconfiguration of space and acquisition of support equipment vital for the aviation mission of the Oregon Army Guard.

Armory maintenance.-The Committee directs that \$1,200,000 be used to repair and refurbish California Guard armories in fiscal year 1995, from within funds available.

#### OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Appropriations, 1994	\$2,632,298,000
Budget estimate, 1995	2,780,178,000
House allowance	2,797,978,000
Committee recommendation	2,780,178,000

The Committee recommends an appropriation of \$2,780,178,000. This is the same as the President's budget and \$17,800,000 below the House allowance.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Allocations of the Committee adjustments are made for each operation and maintenance, Air National Guard funding category identified in the Department's O-1 submission. A table showing the budget estimate, Committee adjustment, and recommended funding level by O-1 category is provided below. Proposed transfers of funds between budget activity funding categories in excess of \$10,000,000 are subject to standard reprogramming procedures.

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#### COMMITTEE ADJUSTMENTS

C-130 operations.-The Committee adds funding of \$25,100,000 to continue certain Air Guard C-130 aircraft operations. These funds will be used to sustain current aircraft operations in Louisiana and South Carolina (\$1,500,000 for each unit), support an increase in aircraft assigned to Air Guard units located at Nashville, TN (\$7,800,000); Martinsburg, WV (\$4,200,000); and Louisville, KY (\$3,900,000); and maintain C-130 operating levels of the 146th Airlift Wing in California (\$6,200,000).

176th Group mobility enhancements.-The Committee provides \$5,000,000 only for purchasing war reserve spares kits and other equipment necessary to facilitate the full integration of the 176th Airlift Squadron into Pacific Command mobility missions. The Director, Air National Guard, will provide the

Committee with a description of the acquisitions associated with this initiative not later than January 15, 1995.

Administrative expenses.-The Committee proposes a reduction of \$16,950,000 to the Air Guard Administrative Program request, aligning changes in funding for this program with changes in the number of personnel and facilities supported.

Antler military operation area [MOA].-The Committee is aware of the widespread citizen and State concerns regarding the Air National Guard's planned flight patterns and schedules for the low-level combat training flight corridor to be created over Pennsylvania, to be known as the Antler military operation area. The Committee further notes that the Air National Guard asserts that its plans address these concerns regarding environmental and quality-of-life impacts. The Committee intends to monitor this situation closely.

#### NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE

Appropriations, 1994	\$2,483,000
Budget estimate, 1995	2,544,000
House allowance	2,544,000
Committee recommendation	2,544,000

The Committee recommends an appropriation of \$2,544,000, the same as requested and provided in the House allowance.

#### COURT OF MILITARY APPEALS

Appropriations, 1994	\$5,855,000
Budget estimate, 1995	6,126,000
House allowance	6,126,000
Committee recommendation	6,126,000

The Committee recommends an appropriation of \$6,126,000, which is the same as requested and provided in the House allowance.

#### 1996 SUMMER OLYMPICS

Appropriations, 1994	\$2,000,000
Budget estimate, 1995	.....
House allowance	.....
Committee recommendation	10,000,000

The Committee recommends an appropriation of \$10,000,000. This is \$10,000,000 above the budget estimate and the House allowance.

#### COMMITTEE ADJUSTMENTS

The Committee recommends funding of \$10,000,000 to cover costs of providing logistical and other support for the 1996 Summer Olympics to be held in Atlanta, GA. In its version of the 1995 defense appropriations bill, the House consolidates funding for international sporting events into one account. The Committee intends to review this convention prior to the completion of the House-Senate conference.

#### 1995 SPECIAL OLYMPICS WORLD GAMES

Appropriations, 1994	.....
Budget estimate, 1995	.....
House allowance	.....
Committee recommendation	\$3,000,000

The Committee recommends an appropriation of \$3,000,000. This is \$3,000,000 above the budget estimate and the House allowance.

#### COMMITTEE ADJUSTMENTS

The Committee recommends funding of \$3,000,000 to cover costs of providing logistical and other support for the 1995 Special Olympics World Games, to be held in New Haven, CT. The Department is urged to use these funds in an appropriate manner to assure the success of these games.

#### CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING AND PEACE ENFORCEMENT ACTIVITIES FUND

Appropriations, 1994	.....
Budget estimate, 1995	\$300,000,000
House allowance	.....
Committee recommendation	.....

The Committee recommends no appropriation for this account.

#### REAL PROPERTY MAINTENANCE, DEFENSE

Appropriations, 1994	.....
Budget estimate, 1995	.....
House allowance	.....
Committee recommendation	\$500,000,000

The Committee recommends an appropriation of \$500,000,000 for real property maintenance, defense. This is \$500,000,000 more than requested and the House allowance.

#### COMMITTEE ADJUSTMENTS

The Committee's recommendations provide \$500,000,000 to recapitalize the "Real property maintenance, defense" account. As was the case in years past, the Committee intends for these funds to be used to reduce the growing real property maintenance project backlog. In particular, the Committee directs the Department to use \$200,000,000 of the funds appropriated in this account for funding maintenance of buildings, facilities, and other real property assets at combat unit bases. Such assets include, but are not limited to, maintenance hangars, runways, range facilities, and warehouses. Also, the Committee directs the Department to use \$150,000,000 of these funds to reduce the backlog of repair projects on enlisted personnel barracks and related personnel support buildings such as mess facilities and medical clinics. Finally, the Department shall use the remainder (\$150,000,000) to establish a fund for covering the costs of demolishing buildings on current active military bases and installations.

The funds provided under this heading are in addition to any other funds appropriated for real property maintenance programs in other operation and maintenance accounts.

Demolition of excess facilities.-The Committee believes that real property maintenance programs should be augmented to allow for demolition of excess facilities. Maintenance costs of \$2 to \$3 per square foot per year could be avoided if idle facilities were to be demolished. To achieve these savings, however, requires significant up-front costs (facility demolition costs range from \$10 to \$30 per square foot) which have served as a fiscal impediment to military building managers and budget planners. The Department has identified more than 78,000,000 square feet of excess facilities which could be torn down, at a cost of approximately \$1,100,000,000. The Department reports, however, that only a portion (\$150,000,000) of this requirement can be executed in fiscal year 1995. Thus, the Committee recommends establishing a fund of \$150,000,00 within the "Real property maintenance, defense" account to initiate excess facility demolition activities in fiscal year 1995. The Committee directs the Under Secretary of Defense for Personnel and Readiness to

provide a report to the congressional defense committees detailing guidelines for the use of these funds. The report shall be delivered to the Congress by January 1, 1995.

#### ENVIRONMENTAL RESTORATION, DEFENSE

Appropriations, 1994	\$1,962,300,000
Budget estimate, 1995	2,180,200,000
House allowance	1,880,200,000
Committee recommendation	2,034,075,000

The Committee recommends an appropriation of \$2,034,075,000 for the "Environmental restoration, defense" account, an amount \$146,125,000 below the budget request. The recommendation is \$153,875,000 above the House allowance.

#### COMMITTEE RECOMMENDED ADJUSTMENTS

##### OVERVIEW

Defense environmental restoration account.-The Committee provides \$2,034,075,000 for Department of Defense [DOD] efforts to restore the environmental damages caused in the past by actions undertaken in support of Pentagon programs. The Committee recommendation reflects a decrease to the budget request of \$146,125,000 and an increase of \$153,875,000 over the House allowance.

The Committee recommendation deletes \$30,000,000 sought in the defense environmental restoration account [DERA] for environmental technology demonstration and validation projects. While requesting these funds in DERA, the Defense Department also created a new program for similar purposes in the "Research, development, test and evaluation, defensewide" (RDT&E, defensewide) account. The Committee continues to believe that RDT&E projects should be budgeted within the RDT&E accounts.

The Committee has reviewed carefully the report provided by the DOD on the defense priority model [DPM]. The Committee is concerned that the DOD invested \$3,650,000 in a model which was not used to guide DOD's planning or funding investments. While the sporadic use of the DPM makes it difficult to draw conclusions, a few comments can be made. The report reveals one instance where \$21,171,000 has been invested to cleanup an installation where only two sites were scored using DPM, each receiving scores of 11 on a scale from zero to 100. In contrast, the DPM was used to score 21 sites at a different installation, with 10 sites receiving scores over 30, including three scores over 70. DOD has spent \$15,723,000 at this second installation. The report further indicates that DOD has spent environmental restoration funds at many installation sites where all DPM scores were below 30, including dozens of scores below 5.

A recent General Accounting Office [GAO] report substantiates these concerns. GAO concluded that some DOD sites are receiving cleanup funds while more contaminated sites are neglected. Sites at installations placed on the National Priority List [NPL] by the Environmental Protection Agency [EPA] are more likely to receive cleanup funds. However, most DOD installations have dozens of sites. Many sites at an NPL installation do not require immediate attention and should not be subjected to the extensive Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA] process according to GAO. The Committee directs DOD to take the actions necessary to obtain EPA approval to exclude sites with limited contamination from the CERCLA process.

Another concern identified by GAO is the decision by regulatory agencies to reject DOD's no further action findings at some sites. Most of DOD's progress to date relies on the Pentagon's determination that no further action is required at 11,136 of the 23,627 active and formerly used defense sites. Reversal of even a fraction of these decisions would represent a large financial liability in an increasingly tight defense budget.

Since 1984, \$8,500,000,000 has been appropriated for DERA efforts. However, only roughly 800 actual cleanups have been completed. DOD noted that over 60 percent of the funds spent to date were allocated to studies. However, DOD has made progress in ensuring that restoration funds are increasingly devoted to

actual cleanup efforts. Still, the fiscal year 1995 request for identification and analysis efforts exceeds the fiscal year 1992 level.

Given these concerns and the growing demands for decreasing defense budget resources, the Committee has recommended several funding adjustments.

The Committee denies the request of \$56,061,000 for preliminary assessment/site investigation activities. The Committee questions the value of initiating far more planning and study actions than can be implemented within available funds. Once the study process begins, negotiations with Federal and State regulators, cleanup design, and actual remediation must follow. Otherwise, DOD could be required to repeat the studies, reenter negotiations, or redesign the cleanup plan.

Many DOD sites are now entering the more costly remedial design and action stages after years of study. However, as a greater portion of funds are sunk into the physical cleanup process, the portion of funds devoted to oversight and management has remained steady. The Committee deletes \$16,951,000 from the management request and \$3,513,000 from the work-year budget component, holding these activities to the fiscal year 1994 level.

Last, the Pentagon budgeted \$44,000,000 for restoration activities at the Mariana Islands. The actual cost of these cleanup efforts is now estimated to be \$4,400,000. Accordingly, the Committee deletes \$39,600,000 from the budget request.

The Committee remains convinced that DOD must identify the most hazardous sites and take action at these sites to prevent further environmental damages. DOD must develop a comprehensive process for reviewing sites, identifying the severity of contamination, and determining the potential for further, complicating environmental damage. A priority-based process for allocation of budget resources will become increasingly necessary as DOD seeks to balance calls for immediate restoration of all sites with continuing declines in defense spending.

#### ADMINISTRATIVE ACTIVITIES

Compliance with defense acquisition regulations.-For environmental restoration projects subject to the terms of section 52.2222 of the Defense Federal acquisition regulations [DFAR], the Committee directs that any awardee of contracts for such projects exceeding \$1,000,000 shall submit a plan for compliance with section 52.2222 of the DFAR to the appropriate contracting office not later than 180 days after contract award.

Notification of environmental contract awards.-The Committee is concerned that projects funded by this account are proceeding without adequate notification to interested State and local authorities, and interested Members of Congress. To ensure that all concerned parties are informed of the status of environmental restoration activities, the Office of Environmental Security shall notify interested Members of Congress of all project contract awards exceeding \$1,000,000. Appropriate State and municipal authorities should be notified concurrent with all environmental restoration contract awards.

#### ENVIRONMENTAL COMPLIANCE, DEFENSE

##### OVERVIEW

The Committee has recommended approval of the DOD fiscal year 1995 budget request for environmental compliance activities. However, the Committee continues to have concerns about the execution of DOD's Compliance Program.

Compliance activities are categorized in four basic categories: level I-activities required to comply with existing legal mandates; level II-efforts which must be completed to avoid violation of future legal mandates; level III-projects which make a positive contribution to the environment but are not required by law; operations and services-recurring costs for manpower, travel, self-inspections, training, and other activities.

DOD continues to suggest that the environmental compliance funds are only adequate to pay for the mandatory level I efforts, a minimal portion of the level II projects, and the necessary operation and services [O&S]. However, based on information contained in reports requested in fiscal year 1994 by the Committee, one-half or more of the funds are spent on O&S activities. While some of the O&S efforts may be required, the Committee believes there are unanswered questions about these expenditures.

Furthermore, the report data indicates that there continue to be multimillion dollar funding shifts between programs. For example, the Committee was told that in fiscal year 1994 the Navy planned to spend \$267,500,000 of operation and maintenance, Navy funds on compliance. Data in the DOD report now projects that the actual expenditure will be \$311,600,000. The Committee restates its concern about the impact of these dramatic funding shifts on the services ability to maintain readiness or, in the alternative, meet compliance obligations. Furthermore, these funding shifts raise serious questions about the validity of the budget request amounts.

The report on environmental compliance identifies the manpower levels associated with service and defense agency environmental compliance programs. The Army is responsible for 2,500 installations, 12 million acres of land, and 510,000 active duty troops. In fiscal year 1995, the Army will oversee \$791,280,000 in compliance expenditures with the support of 1,623 military and civilian personnel. The Navy will require 3,402 personnel to manage \$1,000,008,000 of compliance funds. Finally, 1,042 personnel at various defense agencies will direct \$320,768,000 of compliance activities. The Committee directs that the Deputy Under Secretary of Defense for Environmental Security provide an analysis explaining the apparent contradictions in these numbers.

The following table identifies the funds requested for environmental compliance activities in the respective service and defensewide accounts. The Committee directs that these amounts shall be available only for environmental compliance activities as planned and budgeted by the DOD. The Committee expects that other funds requested and appropriated for specific purposes, other than environmental activities, should not be diverted to environmental projects without advance notification to the Committee. The Committee, therefore, directs that there be advance notification and consultation prior to any increase or decrease to the earmarked amounts.

	Budget request	Committee recommendation
Army:		
Operation and maintenance:		
Army	\$392,200,000	\$392,200,000
Army National Guard	48,300,000	48,300,000
Army Reserve	40,800,000	40,800,000
Wheeled and tracked combat vehicles	4,800,000	4,800,000
Ammunition	8,000,000	8,000,000
Reserve Personnel, Army	1,200,000	1,200,000
Defense business operations fund	37,100,000	37,100,000
Total, Army	532,400,000	532,400,000
Navy:		
Operation and maintenance:		
Navy	303,600,000	303,600,000
Navy Reserve	6,300,000	6,300,000
Other procurement, Navy	76,600,000	76,600,000
Defense business operations fund	228,700,000	228,700,000
Total, Navy	615,200,000	615,200,000
Marine Corps:		
Operation and maintenance:		

Marine Corps	67,000,000	67,000,000
Marine Corps Reserve	2,600,000	2,600,000
Other procurement, Marine Corps	400,000	400,000
Total, Marine Corps	70,000,000	70,000,000
Air Force:		
Aircraft procurement, Air Force	30,800,000	30,800,000
Missile procurement, Air Force	5,000,000	5,000,000
Military personnel, Air Force	25,300,000	25,300,000
Operation and maintenance:		
Air Force	307,900,000	307,900,000
Air Force Reserve	18,300,000	18,300,000
Air National Guard	16,000,000	16,000,000
Other procurement, Air Force	39,220,000	39,220,000
Defense business operations fund	30,900,000	30,900,000
Total, Air Force	434,200,000	434,200,000
Defensewide:		
Operation and maintenance, Defense	34,700,000	34,700,000
Agencies		
Procurement, defensewide	1,000,000	1,000,000
Defense business operations fund	91,400,000	91,400,000
Total, defensewide	127,100,000	127,100,000
Total	1,778,900,000	1,778,900,000

In addition to these funds, the Committee is aware of \$93,400,000 budgeted in the DOD research, development, test, and evaluation [RDT&E] accounts; \$43,600,000 budgeted in the military family housing accounts; and \$266,400,000 budgeted in the military construction accounts. The cumulative total of all of these funds is \$2,182,300,000, an amount consistent with the OSD identified \$2,176,000,000 fiscal year 1995 budget request for compliance.

Land management.-The Committee directs that \$2,500,000 of the funds available for defensewide environmental compliance activities shall be made available only to establish a Department of Defense land management training center. The center's objective would be to avoid overuse by improving land management practices and military training coordination.

#### FORMER SOVIET UNION THREAT REDUCTION

Appropriations, 1994	\$400,000,000
Budget estimate, 1995	400,000,000
House allowance	.....
Committee recommendation	400,000,000

This program was established in 1992 to promote denuclearization and reduce the threat of weapons proliferation in the former Soviet Union. Since that time, a total of \$1,200,000,000 in transfer authority and direct appropriations has been provided. The fiscal year 1995 request of \$400,000,000 in direct appropriations and \$215,000,000 in transfer authority would bring that total to \$1,815,000,000. The low rate of obligation in this program does not warrant \$215,000,000 in transfer authority for fiscal year 1995. Therefore, the Committee denies the \$215,000,000 in transfer authority.

The Committee specifies that \$10,000,000 of the funds provided for this initiative shall be available only to the Office of Naval Research to continue projects to monitor and evaluate the disposal and discharge of nuclear waste materials by Russia and the states of the former Soviet Union. The Committee commends the success of this program managed by the Office of Naval Research, which has harnessed government, private



sector, and academic resources in the United States and Russia, to evaluate the potential risks posed by nuclear waste disposal practices around the Arctic and North Pacific regions.

The Committee urges the Office of Naval Research to expand cooperative efforts with research entities in Russia to ensure the widest possible access to nuclear disposal sites in the former Soviet Union to achieve the greatest possible degree of monitoring of such facilities.

#### HUMANITARIAN ASSISTANCE

Appropriations, 1994	\$48,000,000
Budget estimate, 1995	71,900,000
House allowance	60,000,000
Committee recommendation	71,900,000

Landmines.-Last year, the Committee provided \$10,000,000 to the Department of Defense for the purpose of providing support for the clearing of landmines for humanitarian purposes. The Committee believes that the Department's activities should continue and directs that of the \$71,900,000 appropriated for humanitarian assistance in fiscal year 1995, \$10,000,000 shall be for the purpose of clearing landmines as outlined in the Senate authorization bill for fiscal year 1995.

Food assistance program for children.-The Committee is aware of the urgent need for processed baby food in the former Soviet Union. To meet this need, the Agency for International Development [AID] participated in a highly successful program initiative directed at infant to toddler-aged children. The Committee understands that this program has not been consistent nor dependable over the past year. Given the importance of nutrition in the early development stages of children, the Committee strongly encourages AID to renew its processed baby food program in the former Soviet Union.

#### TITLE III

#### PROCUREMENT

#### ESTIMATES AND APPROPRIATION SUMMARY

The Department of Defense fiscal year 1995 title III procurement budget request totals \$42,698,919,000. This request is \$1,964,159,000, or approximately 4.4 percent, below the amounts appropriated in fiscal year 1994.

The accompanying bill recommends a total of \$42,708,049,000 in new budget authority. The total amount recommended is an increase of \$9,130,000 to the fiscal year 1995 budget request and \$310,384,000 below the House allowance. The following table summarizes the procurement budget estimates, the Committee recommendations, and the House allowances.

[In thousands of dollars]

	Item	Budget request	House allowance	Committee recommendation	Recommendation versus	
					Budget request	House allowance
Army:						
	Aircraft	1,041,581	1,264,198	1,062,581	+21,000	-201,617
	Missile	593,995	728,095	707,895	+113,900	-20,200
	Weapons and tracked combat vehicles	919,786	1,001,873	1,129,514	+209,728	+127,641
	Ammunition	844,644	1,274,644	877,761	+33,117	-396,883
	Other	2,690,233	2,348,806	2,646,048	-44,185	+297,242

Total, Army	6,090,239	6,617,616	6,423,799	+333,560	-193,817
Navy:					
Aircraft	4,786,265	4,820,442	4,531,789	-254,476	-288,653
Weapons	2,092,671	1,969,336	1,858,200	-234,471	-111,136
Ammunition, Navy and Marine Corps	439,810	493,810	432,815	-6,995	-60,995
Shipbuilding and conversion	5,585,397	5,471,369	5,528,974	-56,423	+57,605
(By transfer)		(1,200,000)	(1,200,000)	(+1,200,000)	
Transfers to SCN (transfer out)					
Other	3,319,418	3,271,088	3,309,698	-9,720	+38,610
Marine Corps	422,178	452,178	403,410	-18,768	-48,768
Total, Navy	16,645,739	16,478,223	16,064,886	-580,853	-413,337
Air Force:					
Aircraft	6,747,599	6,182,199	6,571,524	-176,075	+389,325
Missile	4,112,620	2,758,285	3,620,055	-492,565	+861,770
Ammunition	279,553	278,681	283,173	+3,620	+4,492
Other	7,078,253	6,886,613	6,897,696	-180,557	+11,083
Total, Air Force	18,218,025	16,105,778	17,372,448	-845,577	+1,266,670
Defense agencies	1,744,916	3,020,616	1,894,916	+150,000	-1,125,700
National Guard and Reserve equipment		796,200	952,000	+952,000	+155,800
Defense Production Act purchases					
Total, procurement (By transfer)	42,698,919	43,018,433 (1,200,000)	42,708,049 (1,200,000)	+9,130 (+1,200,000)	-310,384

## PROCUREMENT OVERVIEW

### CONVENTIONAL AMMUNITION WORKING CAPITAL FUND

The fiscal year 1994 House Appropriations Committee report directed the Army to prepare a plan for termination of the conventional ammunition working capital fund [CAWCF]. The Army was provided the opportunity to propose improvements to the CAWCF to answer the concerns of the Committee as part of the plan. The Army submitted its proposal for improvements to the CAWCF on May 4, 1994. Although the proposed corrective actions are a start, the Committee is dissatisfied that the proposed improvements to the CAWCF do not provide the necessary financial discipline and managerial oversight of the fund required to ensure that the fund maintains fiscal integrity and protects the taxpayer's interest.

As outlined in their fiscal year 1995 report, the House was similarly dissatisfied with the Army's proposed corrective action and directed the Army to take the necessary steps to close the CAWCF immediately. The Committee, however, cannot support the House's direction. The Committee believes the Army and the Department of Defense do have a desire to address the congressional concerns with this fund and will give them 1 more year to make progress.

To this end, the Army is directed to take the following action to demonstrate its desires to improve the management of this fund. The Army shall propose a fund that answers the concerns expressed by the Congress in fiscal year 1994. In addition, the proposed fund should include, at a minimum, the following features: (a) financial closeout of the fund at the end of each fiscal year, with certification of the operating results of the fund for the period; (b) direct accounting of execution back to the appropriated fund accounts of the customers

of the fund at the end of each fiscal period; (c) annual certification under strong central oversight of the fund at the headquarters level; and (d) submission of an annual overall budget that will reconcile to surcharges.

The Committee directs the Army to submit this proposal on or before March 15, 1995. The Committee understands that current Department of Defense policy has placed a moratorium on the creation of new accounting systems. The Army is directed to include proposed congressional language in its proposal to overcome any limitations on new accounting systems if necessary. The Army is also directed to include in its proposal a recommended alternative for funding these accounting system changes. The Army should be prepared to completely terminate the fund beginning in fiscal year 1996 if the Congress should so direct in its report on the fiscal year 1996 Department of Defense appropriations bill.

#### SMALL BUSINESS 8(A) PROGRAM-DPSC

The Committee is concerned that participants in the Small Business Administration's Small and Disadvantaged Businesses 8(a) Program are still not being utilized to the fullest extent possible by the Defense Personnel Support Center [DPSC]. To begin to address this problem, the Committee directs the DPSC to set a goal of awarding a minimum of 20 percent of its contracts for the acquisition of tentage and body armor to qualified 8(a) firms. The Committee further directs the Department of Defense to provide a quarterly report to the Defense Committees on all contracts for tentage and body armor awarded by the DPSC, identified by business and small business categories.

#### INFORMATION TECHNOLOGY SYSTEMS

The Department of Defense information technology budget request for fiscal year 1995 is \$9,782,249,000. The Committee recommends providing \$9,650,949,000 which is \$131,300,000 below the budget request. The House recommends \$9,519,568,000.

The Committee shares the concerns identified by the House Subcommittee on Defense Appropriations and Committee on Armed Services. The Committee is also aware of findings reported and briefed by the General Accounting Office on necessary actions to improve the Department of Defense information technology programs. The Committee remains concerned over the mixed success in implementing the corporate information management [CIM] initiative.

The CIM initiative is a major undertaking to improve defense operations and business practices in all functional areas through the managed migration of information systems, development of standard data elements, reengineering of business processes, and design of a standard defense infrastructure of computing and communications capabilities. The Committee recognizes the complexity and magnitude of this effort. Nevertheless the Committee's conviction is that an initiative like CIM is a requirement for the Department as it restructures to meet the challenges of the new world order, and therefore, CIM must be implemented aggressively but in a systematic fashion.

The Committee, therefore, expects the Department to continue to exercise stronger management oversight to improve CIM performance. The Committee is encouraged by the Department's recent action to establish a new management structure which includes an Enterprise Integration Executive Board and an Enterprise Integration Corporate Management Council. The Department also recently issued the CIM strategic plan and the enterprise integration implementation strategy which highlights the Department's actions to accelerate the CIM initiative. The Committee expects, however, more progress in coordinated joint efforts and aggressive implementation of CIM initiatives in order to maximize the return on investments and reduce costs. The Committee also directs the Department of Defense to collaborate with the civilian components of Government, such as the Department of Commerce and General Services Administration, on information technology development and modernization initiatives to ensure cost-effective migration into the new era of a national information superhighway.

#### BASE OPERATIONS INFORMATION SYSTEMS

The General Accounting Office has informed this Committee of concern over the development, by each of the services, of numerous stove-pipe solutions for the modernization of various automatic base operations information management systems. Specific concerns include the absence of a single Defense official within the Office of the Secretary of Defense, accountable to manage or assure that these programs are not duplicative and are integrated in the most economical and efficient way. Also, there has been little or no effort to determine the common base operations functional data/information needs nor has any effort been made to migrate to an integrated automated system with Department of Defense-wide applications. As a result, the GAO has concluded that these programs are not consistent with or supportive of Defense's implementation of the corporate information management [CIM] initiative. The Committee, therefore, recommends a slowdown in procurement and fielding of these systems to allow more time to bring them in line with the CIM initiative.

#### AIR FORCE AUTOMATED MAINTENANCE SYSTEMS

For several years there has been continuing controversy regarding competing Air Force capabilities for managing maintenance processes at base level. In short, there has been a notable lack of progress in providing more accurate maintenance data and in eliminating duplicate data input requirements. It now appears that technology has overtaken this controversy. Neither of the competing systems, CAMS/REMIS and TICARRS, was deemed adequate by a recent Institute of Defense Analyses report to serve, by itself, as a long-term solution.

It has come to the Committee's attention that research by the Air Force's Armstrong Laboratory now provides the basis for an integrated maintenance data system comprised of an open system architecture, modern data base technology, and hand-held data input devices that can be used on the flightline. In fact, the Armstrong Laboratory approach seems to provide the greatest opportunity for a modern system to support the requirements of the Air Force into the next century. Such capability would include one-time data entry, interactive technical information, and integration of on-board diagnostics outputs.

It has been proposed that the Air Force demonstrate this concept and the Committee agrees. The Air Force should demonstrate this concept at one base for each of CAMS/REMIS and TICARRS in fiscal year 1995. If this proof of concept is successful, the Air Force is directed to prepare a business plan for a competitive acquisition to migrate from the existing closed architectures to a modern open system, interactive integrated maintenance data system [IMDS] with development to begin in fiscal year 1996. This business plan for implementing IMDS shall be consistent with the Air Force plans for base level systems modernization [BLSM].

Pending implementation of IMDS, the existing systems (CAMS/REMIS and TICARRS) should be maintained at a level of sufficiency to assure that aircraft and other weapon system readiness is not compromised. Accordingly, the Committee appropriates \$15,000,000 for continued support of TICARRS, \$5,000,000 for improvements and corrections to REMIS, and an additional \$8,500,000 to the "Research and development" account to conduct the proof-of-concept demonstrations.

#### KEYBOARD PROFICIENCY

The Committee disagrees with the House recommendation to provide a total of \$15,000,000 in the three service operation and maintenance accounts to provide computer keyboard training. The Committee strongly feels that such training, although it may improve productivity, is the responsibility of each service to integrate into its training plans and training budget.

#### INFORMATION TECHNOLOGY ADJUSTMENTS

The Committee recommends general reductions in operation and maintenance funding for information technology due to unjustified cost growth over the inflation rate. These reductions are recommended in anticipation of cost savings resulting from Department management improvements, elimination of duplicative efforts, improved project management, and firmer cost controls. The Committee also strongly recommends that the senior information resource management official of each service and agency manage and distribute

the reductions to ensure the most cost-effective use of resources. The Committee considers the House reductions as being too severe and potentially punitive, the results of which will severely hinder the services and agencies' difficult tasks of maintaining readiness while downsizing, streamlining operations, and supporting other major Department management initiatives.

The Committee recommends the following adjustments to the budget request for information technology:

[In thousands of dollars]

	House adjustments	Committee recommendation
Operation and maintenance:		
Army:		
Sustaining base information system	-23,899	
STD Theater Army C <sup>2</sup> system	-14,399	
Military entrance processing command integrated resource system	-5,675	
Personnel enterprise system	-4,966	
Keyboard proficiency	+5,000	
General reduction	-89,804	-30,000
Total, Army O&M	-133,743	-30,000
Army Reserve:		
Personnel electronic records management system	-3,000	
General reduction, other than RCAS	-7,000	
Total, Army Reserve O&M	-10,000	
Army National Guard:		
Reserve component automation system	-3,000	
Distance learning	+7,500	
Total, Army Reserve O&M	+4,500	
Navy:		
Electronic military personnel records system	-11,229	
Excessive budget growth	-36,000	
General reduction	-91,514	-30,000
Keyboard proficiency	+5,000	
Total, Navy O&M	-133,743	-30,000
Navy Reserve: Naval reserve information technology modernization	+3,000	
Air Force:		
Local area network management, audit findings	-33,529	
CAMS/REMIS	+5,000	+5,000
TICARRS	+15,000	+15,000
Automated record management system	-1,471	
Keyboard proficiency	+5,000	
General reduction		-30,000
Total, Air Force O&M	-10,000	-10,000
Defensewide:		

DISA sustaining base information system	-1,924	
Transfer Ada Joint Project Office to RDT&E	-10,800	
JEDMICS	-13,500	-13,500
General reduction	-50,000	-30,000
Total, defensewide O&M	-76,224	-43,500
Total, Department of Defense O&M	-356,210	-113,500
Other procurement:		
Army:		
Information systems	-11,000	+6,200
STAMIS	-21,850	
ADP equipment	-56,032	-12,000
Sustaining base information system	(-35,254)	
General reduction poor budget execution	(-15,000)	
Strategic logistics system	(-2,800)	
Personnel electronic records management system	(-2,978)	
Reserve component automation system	+66,900	
Total, Army, other procurement	-21,982	-5,800
Navy: Computer Acquisition Program (EMPRS)	-31,800	
Air Force:		
Automatic data processing equipment, AFC2S	-4,189	
Automatic data processing equipment, transfer from operation and maintenance		+4,500
Base level data automation program		-3,000
Total, Air Force, other procurement	-4,189	+1,500
Procurement, defensewide:		
JEDMICS	-13,500	-13,500
Naval Reserve information technology modernization	+10,000	
Automated document conversion	+30,000	
High performance computer modernization, transfer from RDT&E	+130,000	
Automated information system equipment	-5,000	
Total, defensewide procurement	+151,500	-13,500
Total, Department of Defense procurement	+93,529	-17,800
Grand total, Department of Defense	-262,681	-131,300

#### AIRCRAFT PROCUREMENT, ARMY

Appropriations, 1994	\$1,320,886,000
Budget estimate, 1995	1,041,581,000
House allowance	1,264,198,000

Committee recommendation

1,062,581,000

The Committee recommends \$1,062,581,000, an increase of \$21,000,000 from the budget and \$201,617,000 below the House allowance. This appropriation finances the acquisition of tactical and utility helicopters and airplanes, including associated electronics, communications equipment, and armament; modification and modernization of inservice aircraft; flight simulators; ground support equipment; production base support; and components and spare parts including transmissions and gearboxes.

#### COMMITTEE RECOMMENDED PROGRAM

The Committee recommendation adds funds to purchase six additional attack helicopters and four medium-range utility aircraft. This is in addition to funding of 60 utility helicopters and one tactical intelligence aircraft as requested. The allowance also adjusts funding for several programs primarily to account for excessive cost increases and related issues. The specific details are listed in the table below and discussed in the text which follows.

Offset folios 0 to 0-AIRCRAFT PROCUREMENT, ARMY insert here\*\*\*TABLE GOES HERE\*\*\*

Aviation modernization programs.-The Committee is concerned with the lack of foresight in Army budgeting for its critical aviation modernization programs, specifically the Apache Longbow and Comanche helicopters. The Army budget plan does not allow for production of any Army helicopter at two of the principal contractors for these programs in the years prior to the initial procurement of the new programs. While the Army pays lip service to its strong support for both Apache Longbow and Comanche, its actions speak louder than its words.

The Army has consistently underfunded and continues to underfund the Comanche program in its 5-year budget plan, a program it claims is its highest priority. While Apache Longbow has fared somewhat better, the failure of the Army to provide for an efficient transition from Apache production to the Apache upgrade program demonstrates the Army's lack of strong support. The Army budget plan would require the contractor to shut down its only military helicopter production program-laying off production workers-prior to beginning work on Apache Longbow. Similarly, the Army plans to end production of the UH-60 Black Hawk 4 or 5 years before it begins production on the Comanche program. The DOD Cost Analysis Investment Group is examining the impact on the Comanche costs if the Army cancels the UH-60 program after its 1996 program. The Committee understands that its preliminary estimates are that the flyaway cost of Comanche would increase by 10 percent. And, if this were not bad enough, the Army now has recommended canceling its 1996 UH-60 purchases, thereby exacerbating this problem.

The Committee has lost its patience with the Army's management of these programs. The only logical determination which can be made is that the Army has insufficient funds to maintain two future modernization programs at two separate contractors. The United States currently has four helicopter manufacturers with significant DOD programs. The Secretary of Defense has testified that industrial base requirements do not necessitate maintaining all four contractors. Furthermore, the Committee is convinced that the Army is unwilling to devote sufficient funds to allow for economic production at any of the four manufacturers.

The Committee analysis leads to the conclusion that, if the Apache Longbow program were dovetailed into the UH-60 production program, then the Apache Longbow and Comanche production programs would be supportable. Likewise, if the Comanche and Apache Longbow programs were to be produced by the Apache manufacturer, then the resulting economies of scale could allow for the programs to be produced economically and efficiently. Therefore, the Committee directs that the Army reconsider its acquisition strategy for Comanche and Apache Longbow and recompile both programs. In this recompetition, the Army is directed to select one contractor or contractor team to produce both the Comanche and Apache Longbow programs. It is only through this approach that the Committee can expect the Army to acquire the modern helicopters it requires within the investment funds it is willing to program.

Air ambulance.-The Committee includes in the bill a requirement for the Secretary of the Army to report to the House and Senate Committees on Appropriations the Army's doctrine and organization plan for the high capacity air ambulance component of the Aeromedical and Combat Casualty Care Program.

The Committee is disturbed by the failure of the Army Training and Doctrine Command [TRADOC] and the Health Services Command to resolve this matter. Direct combat experience in Operation Desert Storm and in Somalia makes clear that improvements in aeromedical evacuation are essential. For more than 3 years, this question has undergone study, review, and reconsideration. In the meantime, no meaningful progress has been made to ensure that military personnel wounded in combat can be speedily evacuated to receive appropriate care.

The Committee understands that the Army National Guard has made clear its willingness to accommodate this mission, identifying units ready for conversion and training for the high capacity air ambulance mission. The Committee expects the report by the Chief of Staff will fully reflect the possible role of the Army National Guard.

The report should address the needed force structure, organization, equipment, and doctrine for the high capacity air ambulance mission. Decisions on the allocation of resources made available to the Army and the Reserve components for fiscal year 1995 will hinge on the timely presentation of this report, and execution of decisions reached by the Army leadership to implement this program.

The Committee will fully review the Army's resolution of this matter through the hearing cycle next year.

C-XX aircraft.-The Committee recommends \$23,000,000 as authorized to purchase four C-XX medium-range utility aircraft. This is three more aircraft and \$19,000,000 over the amount recommended by the House. No funds were requested for this program.

Apache helicopter.-The Committee recommends \$77,611,000 for the production of six additional Apache helicopters, an increase of \$72,000,000 above the budget and House allowance. The Committee makes this recommendation to preserve the industrial base, until the manufacturer for future Army helicopter programs can be determined.

UH-60 Blackhawk.-The House recommends \$248,359,000 for the UH-60 Blackhawk helicopter, a reduction of \$4,500,000. The Committee agrees with the House allowance.

Longbow.-The Committee recommends \$45,588,000 for advance procurement on the Apache Longbow Program. The allowance is a reduction of \$72,000,000 from the request and House allowance. The savings have been redirected to continue Apache production.

Kiowa Warrior.-The House recommends \$110,467,000 for the Kiowa Warrior Program, a reduction of \$1,300,000 from the amount requested. The Committee recommends \$98,767,000, a reduction of \$13,000,000. The Committee allowance would provide funds for 38 kits, the same as provided for in fiscal year 1994. The Committee considers it imprudent to increase the number of kits to be procured, noting that the Army currently has no additional funds in its budget plans for the next 4 years to continue this program. The allowance also reduces funds from program management, for which the Army is requesting an increase of 56 percent.

Aircraft survivability equipment.-The Committee recommends \$44,583,000 for aircraft survivability equipment, an increase of \$15,000,000 above the budget request and \$15,583,000 above the House allowance. The recommended increase will allow the Army to continue purchases of the AN/AVR-2A laser detecting sets.

Spares and repair parts.-The Committee recommends \$47,742,000 for spares and repair parts. This is \$500,000 above the budget request and House allowance. The recommended increase is for the procurement and fielding of one CH-47 maintenance tool and equipment set for the Army National Guard.



## MISSILE PROCUREMENT, ARMY

Appropriations, 1994	\$1,094,309,000
Budget estimate, 1995	593,995,000
House allowance	728,095,000
Committee recommendation	707,895,000

The Committee recommends an appropriation of \$707,895,000 for the Army's fiscal year 1995 "Missile procurement" account. The Committee's recommended funding level is \$113,900,000 above the President's budget request and \$20,200,000 below the amount provided by the House.

This appropriation finances the procurement, production, modification, and modernization of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; and related support and production base equipment.

### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the President's budget request and the House allowance:

Offset folios 0 to 0-MISSILE PROCUREMENT, ARMY insert here\*\*\*TABLE GOES HERE\*\*\*

### COMMITTEE RECOMMENDED ADJUSTMENTS

#### OTHER MISSILES

Hellfire missile.-The Army's budget request includes \$121,641,000 for the procurement of 830 Hellfire II missiles in fiscal year 1995. Included in this request is \$41,995,000 for production facilitization and the procurement of selected long lead items for the transition to Longbow Hellfire initial production in fiscal year 1996. The Committee recommends providing \$133,641,000, an increase of \$12,000,000 for the procurement of as many Hellfire II missiles as these funds will allow.

The Committee has been informed that the Army can procure an additional 415 Hellfire II all up rounds because of favorable pricing at higher production rates. The contractor's unit price for the additional missiles decreases approximately \$14,200 per all up round versus the projected unit price for 830 missiles. The Committee, therefore, has included an additional \$12,000,000 to take advantage of this favorable pricing and expects the Army to procure at least 1,245 Hellfire II all up rounds in fiscal year 1995. If the Army is unable to procure at least 415 missiles with the additional funds provided, the Committee expects to be informed of the number of missiles to be procured prior to contract award with an explanation as to why the contractor was unable to meet its advertised pricing.

Javelin [AAWS-M] system summary.-The Army has included \$131,086,000 for the procurement of 374 Javelin missiles and 39 command launch units in fiscal year 1995. The Committee recommends providing \$214,086,000, an increase of \$83,000,000 for the production of as many Javelin missiles in fiscal year 1995 as these funds will allow.

Whereas the Army leadership has continually testified before Congress that the Javelin missile system is the most critical enhancement for ground forces in this decade, the Committee is very concerned that Army budgetary decision and increasing contractor overhead rates may make this system unaffordable. The Army's purported ardent desire to field this critical infantry enhancement is not supported by the funding levels requested in fiscal year 1995. It appears to this Committee that either the Army's support for this system is waning or once again, Congress is expected to provide additional funds for an intentionally underfunded Army program.

The fiscal year 1995 request supports the procurement of only 374 missiles at an average unit price of almost \$200,000. The Senate Armed Services Committee has authorized an increase of \$82,914,000 for the

procurement of an additional 498 missiles and 51 command launch units in fiscal year 1995. The Committee will reluctantly support the additional authorized funding but expects the Army to optimize missile procurement versus the procurement of additional command launch units. Prior to contract award, the Army shall report to the Defense committees how many missiles the additional funds will secure and identify any other costs incurred as a result of this increased procurement.

TOW 2 missile.-The Army's budget request anticipates the termination of the TOW 2 production line at the end of the fiscal year 1994 funded delivery period, providing a total of \$27,808,000 for the program in fiscal year 1995, of which \$18,600,000 is budgeted for plant closure activities. The Committee agrees with the Senate Armed Services Committee's position that it would be imprudent to cease production of the TOW 2 missile at this time and directs the Army to use the funds requested for continued missile production in fiscal year 1995.

MLRS rockets.-The Army's budget request does not include funding for the continued production of multiple launch rocket system [MLRS] rockets in fiscal year 1995. The Army's decision to terminate funding for MLRS rocket production is based on the fact that the Army has sufficient tactical rockets to meet any anticipated military contingency and enough reduced range practice rockets [RRPR] to meet the training requirements for Active and Reserve component forces for the next 10 years. On the other hand, the Committee must reconcile the sufficiency of the inventory with the need to maintain the MLRS production base until the extended-range [ER] rocket begins production in fiscal year 1997.

The program manager [PM] MLRS commissioned a study to determine, with contractor input, what is necessary to maintain a warm MLRS production line until the ER-MLRS rocket production begins in fiscal year 1997. The results of this study emphasized the necessary retention of critical skills and processes versus merely exercising people and hardware through continued production. The study redefined the term "warm production line" from the traditional concept of maintaining basic rocket production capability to identifying the skills and processes required to produce the next generation extended range rockets in fiscal year 1997. This cooperative Government/contractor effort has recommended a process by which the MLRS production base can be maintained without additional funding requirements in fiscal year 1995. The innovative solution includes the voluntary schedule slide of prior-year production of RRPR deliveries, the sale of fiscal year 1993 assets to foreign military customers, and the establishment of firm, not to exceed prices on practice rockets. The program manager and the contractor should be congratulated on this impressive collaborative effort.

The General Accounting Office has reported that the budget request for the MLRS Program in fiscal year 1995 can be reduced by \$16,100,000-\$3,500,000 is excess to program's need and \$12,500,000 of unobligated prior-year funds are not needed until fiscal years 1996 and 1997. The Committee, therefore, recommends a reduction to the MRLS fiscal year 1995 budget request of \$16,100,000 and directs the Army to offset this reduction with available prior year funds.

SADARM.-The Committee has provided \$30,000,000 to facilitate initial production of the SADARM system. Further, the Committee will interpose no objection to the reprogramming action, dated July 19, 1994, requesting additional research and development funds for the SADARM program in fiscal year 1994.

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Committee  
recommendation  
compared to-

Item	Budget request	House allowance	Committee recommendation	Budget request	House allowance
Stinger Mods			5,000	+5,000	+5,000

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to- Budget request	House allowance
Stinger		5,000			-5,000
MLRS rocket		24,400			-24,400

#### PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Appropriations, 1994	\$888,817,000
Budget estimate, 1995	919,786,000
House allowance	1,001,873,000
Committee recommendation	1,129,514,000

The Committee recommends an appropriation of \$1,129,514,000 for the Army's fiscal year 1995 "Procurement of weapons and tracked combat vehicles" account. The Committee recommendation is \$209,728,000 above the President's budget request and \$127,641,000 above the recommended House allowance.

This appropriation provides for the procurement of tanks, armored personnel carriers, and combat engineer vehicles. Funds are also provided for the acquisition of crew-served weapons, grenade launchers, towed and self-propelled guns and howitzers, mortars, laser rangefinders, associated training equipment, modification of inservice equipment, initial spares and repair parts, major components, and production base support.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance:

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#### COMMITTEE RECOMMENDED ADJUSTMENTS

##### MODIFICATION OF TRACKED COMBAT VEHICLES

Bradley fighting vehicle (mod).-The Army budget request includes \$72,512,000 for Bradley fighting vehicle modifications. The Committee recommends providing \$80,112,000, an increase of \$7,600,000 above the budget request.

The Committee recommends providing the additional \$7,600,000 only to complete the procurement of one mechanized battalion set of Bradley armor tiles as authorized by the Senate Armed Services Committee.

Howitzer, medium support ft 155mm M-109A5 (mod).-The Army's budget request includes \$237,603,000 for the modification of 215 M-109 series howitzers to the M-109A6 configuration. The Committee recommendation provides \$217,603,000 for this modification program, a reduction of \$20,000,000 from the budget request.

The Committee recommends this reduction based upon an undocumented 100-percent increase in engineering change orders and a 110-percent increase in nonrecurring installation of equipment costs.

Abrams upgrade program.-The budget request includes \$122,156,000 for the upgrade of 34 M-1A1 series tanks to the M-1A2 configuration in fiscal year 1995. The Committee recommends providing \$230,156,000, an increase of \$108,000,000 to the budget request, to upgrade an additional 24 tanks in fiscal year 1995.

This increase provides the authorized level of funding for the M-1 Abrams Tank Upgrade Program for fiscal year 1995. It is the direction of this Committee that the Army upgrade at least an additional 24 tanks with the incremental funds provided. If the contractor cannot upgrade at least 24 tanks with the additional funds provided, the Committee directs that, prior to the obligation of these additional funds, the Army shall notify Congress as to why the contractor cannot meet its advertised price for these additional tanks and shall further inform Congress how many tanks the contractor will upgrade with the additional funds.

Abrams engine sustainment.-The Committee supports the Defense Science Board's [DSB] recommendations on preserving the U.S. tank engine industrial base and provides \$35,000,000 for an Abrams Tank Engine Sustainment Program.

In order to implement a program to sustain the U.S. tank engine industrial base, the DSB concluded that the Army should budget approximately \$9,000,000 per year for engineering support, fund a one-time downsizing cost for the Stratford Army Engine Plant [SAEP] of \$6,000,000, transfer \$20,000,000 per year of overhaul work from Anniston Army Depot, and immediately release the \$17,000,000 provided by Congress in fiscal year 1994 for the SAEP.

The Committee wishes to support the DSB recommendations and has, therefore, provided the \$9,000,000 for engineering support, the \$6,000,000 for the one-time downsizing costs, and directs the Army to immediately release the \$17,000,000 appropriated in fiscal year 1994 for Abrams tank engines. The Committee expects the Army to use these additional funds only to accomplish these tasks. However, the Committee does not support the transfer of any funding or workload from Anniston to the SAEP and has, therefore, provided an additional \$20,000,000 for engine overhaul work at the SAEP as recommended by the DSB and directs the Army not to transfer any tank engine work from Anniston in fiscal year 1995. As per the recommendations of the Defense Science Board, none of these funds may be used to produce new AGT-1500 gas turbine tank engines.

## SUPPORT EQUIPMENT AND FACILITIES

Spares and repair parts.-The Army's budget request includes no funds for the procurement of spare and repair parts for tracked combat vehicles. The House has recommended providing an additional \$5,100,000 only for the procurement of spares and repair parts for the V903 family of engines. The Army has informed the Committee that inventory levels for spare and repair parts for the V903 family of engines far exceed expected usage rates. The Committee, therefore, does not support the House recommendation for this program.

## WEAPONS AND OTHER COMBAT VEHICLES

Mortar, 120mm.-The fiscal year 1995 budget request failed to include any funding for the continued production of the 120mm mortar to meet the Army's revised inventory objective of 1,355 mortars. The

Committee disagrees with the Army's decision to terminate production, and provides an additional \$9,700,000 only for the continued production of 120mm mortars in fiscal year 1995. The Committee further directs the Army to properly budget in fiscal year 1996 and beyond for the additional modification kits and applications needed to support the established inventory objective of 1,355 mortars.

Personal defense weapon, 9mm.-The Army failed to budget any funds for the production of the standard 9mm personal defense weapons in fiscal year 1995. The Committee, concerned with the health of the small arms industrial base, recommends providing \$9,500,000 for the procurement of as many standard 9mm handguns as these funds will allow.

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Machine gun, 5.56mm (SAW)	1,816	28,616	24,016	+22,200	-4,600
Grenade launcher, auto, 40mm, MK19-3	12,302	13,302	38,902	+26,600	+25,600
5.56 carbine M4	4,865	7,865	13,165	+8,300	+5,300
M-16A2 rifle		13,000	13,000	+13,000	

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with action taken by the House:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
FAASV PIP to fleet	16,125	9,953	9,953	-6,172	
M-1 tank modifications	40,291	36,291	36,291	-4,000	

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Improved recovery vehicle	17,141	42,500	17,141		-25,359

#### PROCUREMENT OF AMMUNITION, ARMY

Appropriations, 1994	\$735,445,000
Budget estimate, 1995	844,644,000
House allowance	1,274,644,000
Committee recommendation	877,761,000

The Committee recommends an appropriation of \$877,761,000 for Army ammunition for fiscal year 1995. This is \$33,117,000 above the President's budget request and is \$396,883,000 below the House allowance.

This appropriation finances the acquisition of ammunition for training and war reserve stocks, modernization and maintenance of equipment and facilities (including construction), and maintenance of inactive ammunition facilities.

#### COMMITTEE RECOMMENDED PROGRAMS

The following table details the Committee recommendation in comparison with the budget request:

Offset folios 0 to 0 PROCUREMENT OF AMMUNITION, ARMY insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE ADJUSTMENTS

Cartridge, 25mm, all types.-The budget request includes \$21,935,000 for the procurement of M-793 [TP-T] and M-910 [TPDS-T] 25mm ammunition in fiscal year 1995. The Committee recommends providing \$46,935,000, an increase of \$25,000,000 above the budget request.

The Committee provides the additional \$25,000,000 only for the procurement of M-919 high velocity, improved armor penetrating 25mm cartridge for which no production was budgeted for by the Department in fiscal year 1995.

#### OTHER ADJUSTMENTS

155mm M-203A1 red bag prop charge.-The Committee supports the Senate Armed Services Committee's direction to transfer at least 17,000 M-203A1 red bag propelling charges to the Marine Corps. As a result of this transfer, no funds will be required by the Marine Corps in fiscal year 1995 for the purchase of new M-203A1 charges.

Conventional ammo demilitarization.-The Committee provides \$102,969,000, an increase of \$7,500,000 to the budget request, but an amount \$7,031,000 below the House allowance. The Committee provides the

increase of \$7,500,000 only to accelerate the procurement of a plasma furnace which is now being evaluated by the Army.

Further, of the funds appropriated for conventional demilitarization, the Committee directs that \$5,000,000 be made available for the demilitarization or repack of the existing inventory of SUU-30 dispensers. The Committee understands that the Kansas Army Ammunition Plant is the most appropriate facility to conduct this program and expects the Air Force to execute this program at the Kansas Army Ammunition Plant.

Prior year savings.-The Committee recommends a general reduction of \$48,000,000 reflecting fact-of-life changes to prior year ammunition programs as identified by the Senate Armed Services Committee.

William Langer plant.-The William Langer plant is a Government-owned, contractor-operated facility that manufactures precision items such as jewel bearings, which are used in avionics and inertial guidance systems, and dosimeters, which measure exposure to nuclear radiation. The plant is also developing the capacity to produce, on a large scale, fiber optic cable connectors known as ferrules. The Committee recognizes that the plant is located in Rolette County, ND, one of that State's most economically depressed areas, and that approximately 60 percent of the plant's employees are native Americans. The Committee further recognizes that the plant is entering a transition year and that it faces two potential challenges: privatization and conversion to a facility capable of both competing in commercial markets and meeting unforeseen future Federal needs.

As such, the Committee directs the Department of Defense to take such steps as may be necessary to assist the plant in its transition from a Government-owned military supplier to a more commercially oriented firm that also remains a viable part of the defense industrial base. The Department should not shut down the facility until an orderly transition is ensured and may use available discretionary funding for this purpose.

The Committee further recommends a legislative provision making \$2,500,000 available from prior-year funds specifically appropriated for the armament retooling and manufacturing support [ARMS] initiative for capital investment, operations, and such other expenditures as may be necessary to maintain the plant as a going concern while it is being excessed under the provisions of the Federal Property and Administrative Services Act.

Authorization adjustments.-The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Cartridge:					
5.56mm, all types	73,605	84,105	83,105	+9,500	-1,000
40mm, all type	13,441	38,441	17,741	+4,300	-20,700
Mortar 60mm 1/10 practice M-840	305	5,805	3,305	+3,000	-2,500
120mm Heat-MP-T, M-830A1	34,596	44,596	52,774	+18,178	+8,178
105mm HERA, M-913		25,000	21,400	+21,400	-3,600
Bunker defeating munition [BDM]	7,761	7,761		-7,761	-7,761

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Cartridge:					
7.62mm, all types	12,108	27,108	12,108		-15,000
30mm, all types	16,577	20,277	16,577		-3,700
Mortar, 60mm	6,276	10,676	6,276		-4,400
illumination, M-721					
Mortar, 120mm HE		30,000			-30,000
Mortar, 81mm, 1/10		6,400			-6,400
training					
Projectile, artillery		69,000			-69,000
155mm baseburner M-864					
Demolition munitions, all types	23,356	93,356	23,356		-70,000
Grenades, all types	4,167	15,167	4,167		-11,000
Provisions of industrial facilities	44,429	60,000	44,429		-15,571
Layaway of industrial facilities	26,774	86,172	26,774		-59,398

#### OTHER PROCUREMENT, ARMY

Appropriations, 1994	\$2,892,766,000
Budget estimate, 1995	2,690,233,000
House allowance	2,348,806,000
Committee recommendation	2,646,048,000

The Committee recommends an appropriation of \$2,646,048,000, \$44,185,000 less than the President's budget and \$297,242,000 above the House allowance.

This appropriation finances the acquisition of: tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility to field forces and the Army logistical system; communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment; and other support equipment such as chemical defensive equipment, tactical bridging equipment, maintenance shop sets, construction equipment, floating and rail equipment, generators and power units, material-handling equipment, medical support equipment, special equipment for user testing, and training devices that are not specific to a particular weapon system. In each of these activities, funds are also included for modification of inservice equipment, spares and repair parts, and production base support.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance.



Offset folios 0 to 0-OTHER PROCUREMENT, ARMY insert here\*\*\*TABLE GOES HERE\*\*\*

## COMMITTEE RECOMMENDED ADJUSTMENTS

### TACTICAL AND SUPPORT VEHICLES

Tactical trailers/dolly sets.-The Army has included \$25,301,000 within their request for the procurement of miscellaneous tactical trailers and dolly sets in fiscal year 1995. The Committee recommends an appropriation of \$35,301,000, an increase of \$10,000,000 over the budget request and the House allowance.

The Committee recommends \$10,000,000 in additional funding only for the procurement of M-149A2 400-gallon water trailers. These modern, insulated, stainless steel water trailers will replace the Army's outdated and unserviceable aluminum and fiberglass water trailers. Current Army studies have indicated it would be more economical to procure new M-149A2 water trailers rather than continue to maintain the old system. The Committee expects the Army to exercise available negotiated contract options to procure as many M-149A2 water trailers as these additional funds will allow.

Family of heavy tactical vehicles [MYP].-The fiscal year 1995 request seeks funding for palletized load system [PLS] flat racks but no truck production. The Committee is concerned that the heavy tactical wheeled vehicle [HTWV] production line will close without fiscal year 1996 funding at a time when there is no depot level maintenance or rebuild program. The Committee is also aware that the Army and the contractor are developing an innovative approach using a requirements type contract to satisfy existing and emerging needs, both production and remanufacture, for the Active and Reserve Forces. This approach is in line with the Department's recommended dual use production facility strategy, including best commercial practices. The Committee applauds the Army's and the contractor's efforts and strongly suggests HTWV funding be budgeted in fiscal year 1996 to sustain the heavy military truck program. The Committee also requests the Army submit with its fiscal year 1996 budget, the Army's HTWV's fleet investment strategy, to include remanufacture, with technology insertion, of the aging HTWV fleet.

### COMMUNICATIONS AND ELECTRONICS EQUIPMENT

SINGARS family.-The Army budget request includes \$367,382,000 for the continued procurement of the single-channel ground and airborne radio system [SINGARS]. The Committee recommends providing the requested amount. The House recommends \$301,782,000.

The Committee congratulates the Army for successfully competing the fiscal year 1994 procurement of radios under dual contracts and obtaining favorable prices. The Committee is pleased that the Army has decided to buy more radios rather than move the cost savings into another account. The additional radios will allow the Army to field SINGARS radios for Brigade 96 digitization. The Committee is also pleased that the Army has placed priority on SINGARS procurement to ensure that its forces are adequately equipped with this primary command and control radio system.

EAC communications.-The Army has requested \$12,067,000 within its fiscal year 1995 budget request for fielding and program management costs associated with the Echelons Above Corps Communications [EAC] Program. The Committee recommends providing \$49,867,000 for EAC and echelons corps and below [ECB] activities in fiscal year 1995, an increase of \$37,800,000 above the budget request.

The Committee directs that the additional funds provided shall only be used for an Armywide EAC and echelon corps and below [ECB] tactical communications systems modernization program. The multiyear program includes the Highly Mobile Digital Group Multiplexer Assemblage [HMDA] Program, the communications systems control element [CSCE], the S-639/G maintenance shelter, the S-640/G storage shelter, the AN/TYC-39 message switch, the AN/TTC-39 circuit switch, an Enhanced Switch Operations Program [ESOP], and a circuit switch routing task execution plan [CSRTEP]. Further, the Committee directs the Army to provide not less than 137 heavy high-mobility multipurpose wheeled vehicles [HHMMWV's] as Government-furnished equipment [GFE] for this program's requirements in fiscal year 1995. The Committee expects the Army to budget for the continuation of this effort in fiscal year 1996, 1997, and beyond.

Information systems.-The Army budget request includes \$22,000,000 for the improvement and modernization of telecommunications systems at Army installations. The Committee recommends providing \$28,200,000, an increase of \$6,200,000 above the budget request. The House recommends \$11,000,000.

The Committee has learned that Schofield Barracks has the worst condition switches, outside cables, and data networks among all of the installations on the Army's priority installation sequence list. The system at Schofield Barracks, home of the 25th Infantry Division which has a high-mobility capability with a strategic mission in the Pacific theater, is logistically insupportable. The \$6,200,000 shall be made available only to improve and modernize the telecommunications system at Schofield Barracks. The Committee directs the Army to accelerate and complete the Schofield Barracks project in order to provide the 25th Infantry Division with reliable, high-speed telecommunications systems to link Army planners with the warrior.

All source analysis system [ASAS].-The Army has requested \$28,247,000 to complete the fielding of ASAS Block I in fiscal year 1995. The Committee recommends \$23,547,000, a reduction of \$4,700,000 from the budget request. The House recommends \$18,247,000.

The Army has budgeted \$9,700,000 for project management administration support within the ASAS fiscal year 1995 procurement request. The Committee recommends that the \$4,700,000 reduction be made in this cost element due to unjustified cost increases. The Committee is concerned over the dramatic increase in project management administration costs from fiscal year 1993 to 1995. In fiscal year 1995 this cost is 34 percent of the ASAS procurement request. The Army informed the Committee that the increases are mostly due to the Army's decision to transfer costs from other program management and development accounts into the procurement appropriations. This action is not justified since the Army plans no production of ASAS in fiscal years 1995 through 1998 and, therefore, should be drawing down its project management administration costs associated with procurement appropriations. The Committee directs the Army to make more prudent use of its scarce investment resources.

Night vision devices.-The Army has requested \$78,362,000 for procurement of night vision devices. The Committee recommends providing \$80,612,000 which is \$2,250,000 above the budget request. The House allowance is \$77,362,000.

The additional \$2,250,000 shall be made available only for the procurement of 500 generation III image intensification tubes for retrofit into existing weapons sights as authorized by the Senate Armed Services Committee. The generation III tube is a direct drop-in replacement for the older tube, so no system modification costs are incurred.

Advanced field artillery tactical data system [AFATDS].-The Army has included \$32,610,000 in its budget request for the procurement of AFATDS, an automated battlefield fire support management and decision support system. The Committee recommends providing \$8,200,000 in fiscal year 1995, a reduction of \$24,410,000 from the budget request. The House recommends \$9,810,000. The Committee has been informed by the Army that the budget request in support of AFATDS procurement in fiscal year 1995 can be reduced by \$24,410,000 due to program delays.

Fire support Ada conversion [FSAC].-The Army has included \$13,212,000 in its budget request for the procurement and fielding of replacement battery command and control computer systems with software that has been converted to Ada. The Committee recommends providing \$10,912,000, a reduction of \$2,300,000 from the budget request. This amount differs from the House recommendation of \$11,612,000. The Committee is informed that the cost of the fiscal year 1994 procurement was below the budgeted amount. The Committee recommends the reduction to reflect the savings in fiscal year 1994 which should be used to offset fiscal year 1995 costs.

Automated data processing equipment.-The Army budget request includes \$122,419,000 for procurement of the Army's sustaining base automated data processing equipment. The Committee recommends providing \$110,419,000, a reduction of \$12,000,000 from the budget request. The House recommends \$66,387,000.

The Committee makes the undistributed reduction due to a very rapid growth in 1 year, and the necessity for the Army to slow down and assure that its sustaining base automated data processing program is in line with the mandated corporate information management [CIM] initiative as discussed elsewhere in this report.

Reserve component automation system [RCAS].-The Army has included \$101,546,000 in its budget request for procurement and fielding of RCAS. The Committee recommends providing the full requested amount. The House recommends \$168,446,000.

The Committee supports the RCAS initiative and is pleased with the Army's efforts to implement improvements in program management and performance. However, the Committee remains concerned over the cost and schedule of the RCAS Program. Therefore, the Committee encourages the Army to aggressively continue with its ongoing efforts to update the RCAS baseline, streamline fielding processes, improve software development and data element management, and identify and control life cycle costs.

Integrated family of test equipment [IFTE].-The Army budget request includes \$58,216,000 for the procurement of automatic test equipment. The Committee recommends providing \$62,716,000, an increase of \$4,500,000 over the budget request and House allowance.

Last year \$500,000 was provided to conduct a user test of DSESTS-TOW to demonstrate its cost effectiveness, and an additional \$5,000,000 was provided to purchase DSESTS-TOW systems on the condition that test results demonstrated its cost effectiveness. The Committee has been informed of a recently completed in-process review of an audit on field test equipment and test programs by the Army Audit Agency. The study results indicated that the direct support electronic system test set [DSESTS] was cost effective relative to acquisition and life cycle support, reliability, and operational effectiveness and suitability. The study also recommended that the Army: (1) use DSESTS to support Abrams and Bradley throughout the life of these systems; (2) include DSESTS in the IFTE family; (3) establish DSESTS as standard automatic test equipment for direct support level maintenance of all armor systems; and (4) evaluate the cost and operational effectiveness of augmenting DSESTS with electro-optics. The Committee concurs with the in-process review results and, therefore, provides the additional \$4,500,000 in fiscal year 1995 together with the \$5,000,000 provided in fiscal year 1994 to implement the Army Audit Agency recommendations. The Committee directs the Army to complete this procurement in fiscal year 1995.

#### OTHER SUPPORT EQUIPMENT

Improved chemical agent monitor [ICAM].-The Army budget request includes \$2,778,000 for the procurement of battery pack and buzzer attachments for the ICAM. The Committee recommends \$1,179,000, a reduction of \$1,599,000 from the budget request and House recommendation. The Army has informed the Committee that the ICAM acquisition program is being revised and as a result less engineering support will be required in fiscal year 1995.

Automatic chemical agent alarm [ACADA], XM22.-The Army has included \$13,046,000 in its budget request for a man-portable automatic chemical agent alarm. The Committee recommends an appropriation of \$5,494,000, a reduction of \$7,552,000 from the budget request and House allowance. The Army has informed the Committee that the ACADA acquisition strategy is being revised to provide for low rate production in fiscal year 1995 instead of full production as originally planned. The funding reduction is to account for the reduced quantity procurement in fiscal year 1995.

Combat support medical.-The Army has included \$16,574,000 in its budget request for combat support medical systems. The Committee recommends \$19,348,000, an increase of \$2,774,000 over the budget request and House allowance.

Of the total provided, \$6,750,000 shall be made available only for the procurement of the field medical oxygen generating and distribution system [FMOGDS]. Additional funding of \$274,000 is included to increase the quantity of FMOGDS from 19 to 25 systems. The Committee is aware of an alternative acquisition strategy that would stabilize and accelerate procurement by buying out the revised FMOGDS requirement of 94 units in 4 years instead of 5. The resulting efficiencies will generate almost \$4,000,000 in

savings. The Committee endorses the alternative acquisition strategy, and directs the Army to notify this Committee if at least 25 systems cannot be purchased and the reasons why. Also, \$2,500,000 in additional funding shall be made available only for the procurement of man portable medical ventilators. Recent deployments to Operation Desert Storm and Somalia and reviews by the General Accounting Office have documented the Army's requirement for a new generation man portable medical ventilator. The Committee expects the Army to procure as many man portable ventilators as these additional funds will allow.

Combat training centers support.-The Army's budget request includes \$20,138,000 for combat training centers support for fiscal year 1995. The Committee recommends providing \$21,238,000 for these activities in fiscal year 1995, an increase of \$1,100,000 above the budget request.

The additional funds are provided only for the purchase of 10 nonstandard armor silhouette target movers and the purchase and installation of a closed-circuit television security system for Camp Shelby, MS. Camp Shelby, MS, is a southeastern training site for Active component, National Guard, and U.S. Army Reserve units, as well as a mobilization station for 2d U.S. Army units. Camp Shelby is an idea candidate to become the Eastern Reserve Component Battle Training Center, and could be developed to achieve accreditation as part of the Active Army's Battle Training Center Program. The National Guard Bureau, Department of Agriculture, U.S. Fish and Wildlife Service, and the U.S. Army Corps of Engineers are encouraged to expeditiously complete the environmental impact study for Camp Shelby and the special use permit by the U.S. Forest Service to permit appropriate ranges and maneuver training space to meet the demands for armor, mechanized infantry, artillery, engineers, and combat arms training required for a battle training center. It is important to reach a resolution of the permit application to enlarge the training area for maneuver units that is consistent with environmental and U.S. Forest Service concerns. National security requirements must be considered as important as our other legitimate concerns when deciding issues of this land.

Funding provides for instrumentation procurement and upgrade for the Army's three maneuver training centers and the battle command training simulation playback system. This program has been fully funded in the previous 2 years, but each year reprogramming increased funding by 50 percent to meet new requirements. The Committee is very concerned that although the Army has a CTC master plan for its major combat training centers, the master plan is ineffective for planning and managing investments. Moreover, the combat training centers are being used to provide critical training and to support highly complex maneuvers designed to test advanced technology systems, hence the importance of a viable master plan. Therefore, the Committee directs the Army to review and update the combat training center master plan to assure that future requirements are identified and scarce resources are used effectively.

Training devices, nonsystem.-The Army has included \$99,339,000 within its budget request for the continued procurement of simulators and training devices for individual and unit training. The Committee recommends \$85,939,000, a reduction of \$13,400,000 from the budget request. The House recommends \$71,739,000.

The Committee remains supportive of the Army's program to produce realistic and effective training devices. However, a reduction of \$11,400,000 is recommended due to historical reprogramming and anticipated program delays. An additional \$2,000,000 reduction is recommended from funding budgeted for undefined configuration changes in the air ground engagement system [AGES II] training device. The Committee is very concerned over the poor performance of the AGES II acquisition program which supports helicopter and field artillery training. The sole source contractor is late on six fiscal year 1990 contracts with deliveries now scheduled in March 1995. The Committee directs the Army to review the performance of the AGES II acquisition program, and identify causes and corrective actions taken that will ensure delivery of quality training devices on schedule and within cost. The Committee directs the Army to provide a report on its findings to the Defense Committees by December 1, 1994.

OPA initial spares.-The Army budget request includes \$75,650,000 for other procurement of initial spares. The Committee recommends \$68,450,000, a reduction of \$7,200,000 from the budget request to conform with various program delays and reductions. The House allowance is \$71,500,000.

Authorization adjustments.-The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Chemical/biological protective shelter	9,539	7,539		-9,539	-7,539
Refrigeration equipment	4,788	1,900	1,888	-2,900	-12
Causeway systems	14,309		1,000	-13,309	+1,000

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Family of medium tactical vehicles [MYP]	382,739	364,639	372,839	-9,900	+8,200
Defense satellite communications system	104,536		104,536		+104,536
Modification of inservice equipment (TAC SAT)	5,357	6,357	5,357		-1,000
Digital topographic support system [DTSS]	12,835		12,835		+12,835
Integrated MET system sensors	7,004	5,000	7,004		+2,004
STAMIS tactical computers [STACOMP]	21,850		21,850		+21,850
Standard integrated command post system	25,085	3,600	25,085		+21,485
Production base support	849	12,849	849		-12,000
SIMNET/close combat tactical trainer	32,038		32,038		+32,038
Natural gas utilization		5,000			-5,000
Battlefield combat identification		5,500			-5,500

AIRCRAFT PROCUREMENT, NAVY

Appropriations, 1994	\$5,704,220,000
Budget estimate, 1995	4,786,265,000
House allowance	4,820,442,000
Committee recommendation	4,531,789,000

The Committee recommends \$4,531,789,000, a reduction of \$254,476,000 below the budget and \$288,653,000 below the House. This appropriation account finances the construction, procurement, production, modification, and modernization of aircraft, including ordnance systems, ground support equipment, flight simulators, spare parts, accessories, and specialized equipment; and expansion of public and private plants.

#### COMMITTEE RECOMMENDED PROGRAM

The Committee recommendation would fund all the fixed-wing aircraft authorized by the Senate and the helicopters requested by the Navy for fiscal year 1995. Reductions have been allocated to programs which have experienced significant cost growth and for which insufficient justification was provided. The specific adjustments recommended by the Committee are listed in the table below and discussed in the text which follows.

Offset folios 0 to 0-AIRCRAFT PROCUREMENT, NAVY insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

AV-8B Harrier.-The Committee recommends \$110,216,000 for the remanufacture of four AV-8B aircraft. This is \$20,000,000 below the House and the requested level. The allowance notes that the airframe costs identified for the fiscal year 1994 program have increased by nearly \$6,000,000 per unit without explanation. The recommended level allows a \$1,000,000 increase for inflation, but eliminates other cost growth.

Multiyear procurement of the AV-8B.-The Committee notes the recent report of the DOD inspector general indicating that the Navy could save more than \$150,000,000 by pursuing a multiyear procurement strategy for the AV-8B remanufacture program. The Committee supports the remanufacture program as a cost-effective way of improving the Marine Corps strike airpower, and believes it makes sense to pursue options with lower costs. Therefore, the Committee directs the Department of the Navy to address this issue by either submitting a proposal in its fiscal year 1996 budget to begin multiyear procurement, or by explaining in writing to the Committee why a multiyear approach has been rejected.

F/A-18 Hornet.-The Committee recommends \$875,776,000 for the procurement of 17 F/A-18 Hornet aircraft, the number of aircraft authorized. This is \$156,592,000 below the budget request and \$58,192,000 below the House recommendation. The Navy estimates that the reduction of seven F/A-18's from the request is likely to cause the loss of foreign military sales, and increase the unit price of the remaining F/A-18's significantly, thus limiting the savings from this adjustment. The Committee is aware that if all planned foreign military sales are lost, then the funding recommended here could be insufficient to purchase 17 aircraft. Therefore, the Committee directs the Navy to purchase the maximum number of aircraft with the funds appropriated.

CH-53 helicopters.-The Committee recommends \$41,084,000 for the CH-53 program, the same as requested and recommended by the House. The Committee notes these funds were requested to provide for production line shutdown costs on the CH-53 program. The Committee believes the Marine Corps may desire to use these funds to purchase two additional helicopters instead of terminating the program. The Committee would not object to this approach.

E-2C Hawkeye.-In fiscal year 1992, the Navy made the decision to terminate production of E-2C early warning aircraft. The Congress supported this recommendation. With force structure cuts, budget cutbacks, and a large inventory of E-2 aircraft, the decision to cancel further production seemed logical. The Navy has decided to restart the E-2C Program, even though its inventory requirement is now only 55 percent of the

level it identified in the late 1980's and early 1990's. To complicate matters, it wants to shut down the current production line and relocate production. The resulting unit cost increase of each E-2C associated with this stop, relocate, and restart is 22 percent above the costs of the last aircraft purchased in 1992, excluding inflation. The Committee finds this cost increase unacceptable. If the price of the E-2C is to grow by this percent, it is not affordable, especially considering the large number of E-2's that the Navy is currently retiring annually.

The Committee recommends \$228,759,000 for continuing E-2C production, a reduction of \$57,000,000 from the request, and \$27,400,000 below the House. The Committee directs that none of the funds appropriated for this program be obligated until the Secretary of the Navy certifies that the unit cost has been reduced by at least 20 percent from the amounts identified in its fiscal year 1995 budget request. If this is unachievable, then the Committee recommends the funds be reprogrammed to E-2 modifications to upgrade and modernize existing E-2 aircraft. In this event, the Committee expects the Navy to meet its force structure requirements by upgrading older E-2 aircraft.

T-45 Goshawk.-The Committee recommends \$206,000,000 for the procurement of 12 T-45 trainers. This amount is \$8,220,000 below the request and House allowance. The reduction is recommended due to unsubstantiated cost growth in the T-45 request.

F-14 modifications.-The Committee recommends \$158,326,000, the amount requested, for the F-14 Program. Of this amount, \$26,100,000 is provided only for time compliance requirements. An additional \$104,700,000 is associated with the survivability upgrades to the F-14 A and B aircraft. The Committee directs that none of the A to B upgrade funds be obligated until the Navy has once again reconsidered this issue with the possibility of reducing the overall funding requirement and has ensured full support within the congressional oversight committees and the Defense Department for this effort. The House recommends \$27,503,000 for F-14 modifications eliminating funding for both time compliance requirements and the survivability upgrades.

P-3 Orion.-The Navy requests \$104,253,000 for modifications to P-3 antisubmarine warfare aircraft. The Committee believes the Navy's interest in accelerating the Antisurface Warfare Improvement Program [AIP] should outweigh its need for other modifications such as update III. Therefore, the Committee suggests the Navy consider reallocating up to \$32,000,000 from the update III modification to AIP.

Common ECM equipment.-The Committee recommends no funding for common ECM equipment in accord with the authorization recommendation, a reduction of \$12,664,000 from the budget request and \$20,664,000 below the House allowance.

#### WEAPONS PROCUREMENT, NAVY

Appropriations, 1994	\$2,739,729,00005
(Transfer to procurement of ammunition, Navy and Marine Corps)	(246,991,000)
Budget estimate, 1995	2,092,671,00005
(Transfer to procurement of ammunition, Navy and Marine Corps)	(307,368,000)
House allowance	1,969,336,00005
Committee recommendation	1,858,200,00005

The Committee recommends an appropriation of \$1,858,200,000, a decrease of \$234,471,000 from the President's request, and \$111,136,000 below the House allowance.

This appropriation finances the construction, procurement, production, modification, and modernization of strategic and tactical missiles, torpedoes, other weapons, related support equipment (including spare parts and accessories), and the expansion of public and private plants.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance:

Offset folios 0 to 0 WEAPONS PROCUREMENT, NAVY insert here\*\*\*TABLE GOES HERE\*\*\*

## COMMITTEE RECOMMENDED ADJUSTMENTS

### BALLISTIC MISSILES

Trident II.-The Navy's budget request includes \$641,318,000 for the procurement of 18 Trident II D-5 missiles and 30 MK-6 guidance systems in fiscal year 1995. The Committee recommends providing \$384,818,000 for the procurement of the 18 D-5 missiles, however, provides no funding for the procurement of MK-6 guidance systems, a reduction of \$256,500,000 from the budget request.

The Navy plans to buy a total of 562 Mark-6 guidance systems to support an inventory objective of 389 D-5 Trident II missiles. The fiscal year 1995 budget request for 30 guidance systems and 18 D-5 missiles would result in a total buy so far of 550 Mark-6's and 337 missiles. The Navy has programmed no funding after fiscal year 1995 for additional guidance sets, since it is considering a new procurement strategy aimed at preserving the industrial base.

The General Accounting Office [GAO] has reported that the Navy's inventory target for Mark-6's is based on a requirement to maintain essentially a 100-percent reliability level for the Trident II system throughout the remaining 33 years of the program's life. According to the GAO, lowering the number of spare guidance systems carried on Trident II submarines would result in substantial budget savings, and would have a minimal impact on the operational readiness of the D-5 missile system.

The Navy is known to be considering a program option to save money by cutting its inventory target for D-5 missiles below 389. That would further reduce the need for Mark-6's. The Committee, therefore, denies the request for D-5 guidance systems for fiscal year 1995.

The Committee encourages the Secretary of Defense to provide responses to the questions asked in reference to Trident MK-6 guidance systems in the Committee hearing on July 12, 1994. These responses will be important when the House and Senate conferees on the fiscal year 1995 Defense appropriations bill meet to resolve their differences on this program.

### OTHER MISSILES

Drones and decoys.-The Navy's drones and decoy program includes the tactical air-launched decoy [TALD] and the improved tactical air-launched decoy [ITALD], which are expendable air-launched vehicles that simulate manned aircraft. These decoys are used to deceive and saturate hostile air defense systems, thereby enhancing friendly strike aircraft survivability. The fiscal year 1995 budget request provides no funding for the continued production of the TALD or ITALD. The Committee disagrees with the Department's desire to end production of this important decoy program and, therefore, provides \$10,000,000 only for the start of low-rate initial production of the improved tactical air launched decoy in fiscal year 1995.

Sparrow modifications.-The General Accounting Office [GAO] has informed the Committee that the Navy's Sparrow missile modification budget request of \$26,797,000 can be reduced by \$13,900,000 because the technical problems in developing the infrared seeker for homing improvements have not been resolved and the Navy has decided to slip low-rate initial production by at least 1 year. The GAO further reports that the Navy Comptroller has placed \$13,900,000 in unobligated fiscal year 1994 funds on withhold, funds which could be used in fiscal year 1995 if the technical problems are resolved earlier than anticipated. The Committee, therefore, recommends providing \$12,897,000 for the Sparrow Missile Modification Program in fiscal year 1995.

### TORPEDOES AND RELATED EQUIPMENT



MK-46 torpedo modifications.-The Committee recommends denying the \$2,571,000 requested by the Navy for the fiscal year 1995 MK-46 torpedo modification program.

The General Accounting Office [GAO] has informed the Committee that because of problems encountered during operational test and evaluation, and program delays in the antitorpedo torpedo [ATT] portion of the National Surface Ship Torpedo Defense Program [SSTD], the \$2,571,000 requested for the MK-46 modification program will not be required in fiscal year 1995.

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Weapons industrial facilities	22,855		51,355	+28,500	+51,355

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Standard missile	258,072	249,072	258,072		+9,000
Fleet satellite communications [MYP]	125,480		125,480		+125,480
Vertical-launched ASROC [VLA]		32,000			-32,000

#### SHIPBUILDING AND CONVERSION, NAVY

Appropriations, 1994	\$4,195,075,000
Budget estimate, 1995	5,585,397,000
House allowance	5,471,369,000
Committee recommendation	5,528,974,000

The Committee recommends \$5,528,974,000, a reduction of \$56,423,000 from the budget and \$57,605,000 above the House allowance. This appropriation finances the construction; acquisition; and

conversion of vessels, including armor and armament; plant equipment, appliances, and machine tools for production plants and facilities; procurement of long leadtime items; and detail design of vessels.

#### COMMITTEE RECOMMENDED PROGRAM

The Committee recommendation would fund the CVN-76 aircraft carrier and three DDG-51 destroyers as authorized and requested. Additionally, the Committee recommends funding for inflation increases on prior-year ship acquisition programs. Several programs have been adjusted based on insufficient justification of need and related problems. The specific details of the recommendations are listed in the table below and discussed in the text which follows.

Offset folios 0 to 0-SHIPBUILDING CONVERSION, NAVY-insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

CVN-76.-The budget requests \$2,446,958,000 to complete payment for the CVN-76 nuclear aircraft carrier. In constant 1995 dollars this is approximately 10 percent more than the unit cost of the two previous nuclear aircraft carriers which were both funded in fiscal year 1988. The Committee recommends \$2,284,925,000, a reduction of \$162,033,000.

While the price of most components of the CVN-76 are reasonably close to the amount paid for the earlier ships, the request for nuclear components exceeds that paid for the CVN-75 by \$320,500,000, an increase of 47 percent. The rationale provided by the Navy for this increase is a decreased vendor base. This explanation is not convincing. Virtually all aspects of the shipbuilding industrial base are experiencing decreases in the vendor base, not just the nuclear component vendors. Second, historically, advance procurement funding for nuclear ships has covered the total cost of nuclear components. The fiscal year 1993 budget which allocated \$829,400,000 for nuclear components stipulated this would purchase one complete nuclear component shipset for the aircraft carrier. This amount is itself an increase of 23 percent above the price of the components on the CVN-75. The Committee believes that this level should be sufficient for nuclear propulsion requirements and accordingly recommends a reduction of \$162,033,000 from the amount requested for the carrier program.

CVN refueling overhauls.-The House allowance deletes funds for CVN refueling overhauls, reducing the request by \$38,328,000. The Committee recommends fully funding the request.

DDG-51 aegis destroyer.-The Committee recommends \$2,660,690,000 for the purchase of three destroyers. The allowance is \$37,000,000 below the request and \$53,000,000 above the House recommended level. The Committee allowance reduces funds for unsubstantiated cost growth in plans, ordnance, and other cost categories. The Committee believes this reduction will have no adverse impact on the DDG-51 production work force.

LHD-7 amphibious assault ship.-The Committee recommends an additional \$50,000,000 in advance procurement for the LHD-7, the same as the House allowance. No funds were requested for the program. The Committee is aware that the current Navy plans would preclude purchasing the LHD-7 until the year 2000. However, the Navy estimates that it will cost \$700,000,000 more to build the ship later than building it now as a follow-on to the existing production base. The Committee believes it makes good business sense to save money by buying needed items on a schedule that makes substantial cost reductions. The Committee recommendation of \$50,000,000 for the LHD-7 is made with the hope that sufficient funding will be requested in fiscal year 1996 to fund the remaining balance.

The Committee also recommends the inclusion of bill language stipulating that these funds are available until expended, and are available only for the LHD-7. The language also directs the Secretary of the Navy to extend the existing contract option on the LHD-7 for 1 additional year and negotiate a change in the resulting option price due to that extension.

AE(C) ammunition ship conversion.-The Committee recommends no funds for the AE(C) conversion program as assumed in the Senate-passed authorization bill. This is \$30,553,000 below the request and House allowance.

AFS(C) stores ship conversion.-The Committee recommends no funds for the AFS(C) conversion program as assumed in the Senate-passed authorization bill. This is \$22,837,000 below the request and House allowance.

Craft, outfitting, and post delivery.-The House recommends an increase of \$5,600,000 for service craft and cuts of \$40,000,000 and \$10,500,000 from outfitting and post delivery respectively. The Committee recommends the budget request for each of these programs.

Escalation.-The Navy has identified an unfunded liability of \$146,000,000 in escalation requirements on prior year ships. Because of the length of time that is required to complete construction of ships, the Congress has frequently faced cost increases in Navy shipbuilding related to changes in inflation rates. Unlike most major procurement items which deliver 1 or 2 years after funding is appropriated, ships often are not delivered to the Navy for 5 or more years. This delay adds uncertainty in budgeting for Navy ships. Furthermore, it has been the policy of Congress to budget for the assumed end cost of the ship rather than earmark funds for possible later increases in inflation.

The Committee notes that, in the mid-1980's significant funds were reallocated from shipbuilding programs because of lowered inflation projections. However, in recent years the trends have been in the opposite direction. The Committee recommended funding in fiscal year 1992 for escalation, and established stringent requirements at that time for the use of these funds. Among other restrictions, it directed that the funds were only for increased escalation requirements and that any reallocation between ship programs must be approved by the Committees on Appropriations. The Committee recommends \$146,000,000 for escalation. The specific allocation of funds is shown in the table below. The Committee directs the Navy to abide by all of the restrictions established in fiscal year 1992 for the use of these funds.

Fiscal years:

1988 aircraft carriers	\$104,000,000
1992 DDG-51 destroyers	42,000,000

Submarine plans.-Over the next 5 years, in constant fiscal year 1995 dollars, the Navy plans to spend \$7,690,000,000 to develop and produce the first new attack submarine and to complete payment on the SSN-23. Over 10 years, the costs would be \$18,600,000,000. The Navy plans would develop the new attack submarine as a lower cost alternative to the Seawolf program. The Navy argues, that production of one Seawolf every other year is adequate to sustain the nuclear submarine industrial base in the near term, but it must purchase the new attack submarine to lower total costs and, because continuing Seawolf production at this rate would be insufficient to sustain a force structure of between 40 and 55 attack submarines in the long term. Further it argues, that a new submarine design is needed to sustain the industrial base for submarine design capability.

Clearly the concerns expressed by the Navy while not inconsequential are based on costs and future force structure requirements. It appears, based on the 30-year life of the Navy's SSN-688 class submarines, that a shortfall will not begin until the middle of the second decade of the next century, raising questions about the need to finance a new low-cost alternative to the Seawolf during the current 5-year plan. The quandary is how can DOD best protect the industrial base at the lowest cost until it is time to purchase a relatively large number of SSN-688 replacements.

The cost of the Seawolf, at approximately \$2,500,000,000, is expensive. However, the first new attack submarine will cost more than \$3,100,000,000 to produce, in 1995 constant dollars. This is about 25 percent more than the SSN-23 is expected to cost. Furthermore, in conjunction with ordering the first NAS, the Congress will need to provide an additional \$2,068,000,000 to complete development of this alternative submarine. Recently, Deputy Secretary Deutch instructed the Navy to reduce its NAS spending by

\$1,000,000,000 over the 5-year plan. One alternative would be to delay the NAS. The Committee finds that the NAS program could be delayed 8 years and still satisfy the requirement to maintain an acceptable attack submarine force structure. However, this alone will not sustain the submarine industrial base.

If an alternative submarine construction program continued during this 8-year period, the industrial base could be sustained. The Committee notes, for example, that purchasing one Seawolf every other year through 2004 while delaying continued NAS development until 2003 would cost approximately \$4,700,000,000 over the 5-year plan, and \$14,400,000,000 over the next 10 years. This amounts to a savings of nearly \$3,000,000,000 over the next 5 years and nearly \$5,000,000,000 over the 10-year period compared to the current plan. Such an approach would minimize the financial burdens facing the Navy and the Defense Department over this period, and could allow for the much needed recapitalization in other areas, such as Marine Corps amphibious ships.

The Committee shares the Navy's concern that the submarine design base would not be entirely safeguarded by this type of approach. The Committee believes continuation of a technology demonstration program studying advanced submarine concepts, especially with the objective of reducing the costs of the new attack submarine would be a useful and cost-effective method for sustaining these design skills. A \$1,000,000,000 program over the 8-year period could offset this need. Together, this approach would still save the Navy nearly \$2,400,000,000 over the next 5 years, including more than \$900,000,000 next year alone.

The Committee directs the Navy to consider an alternative to the new attack submarine program before going forward to milestone III. The Committee expects this review to be completed before the Navy will need to obligate more than 50 percent of the fiscal year 1995 development funding associated with the new attack submarine. It therefore, directs the Navy to withhold from obligating 50 percent of the fiscal year 1995 new attack submarine funds until the review has been completed and a report on the review has been submitted to the congressional Defense committees.

#### OTHER PROCUREMENT, NAVY

Appropriations, 1994	\$2,994,231,000
Budget estimate, 1995	3,319,418,000
House allowance	3,271,088,000
Committee recommendation	3,309,698,000

The Committee recommends an appropriation of \$3,309,698,000, a decrease of \$9,720,000 below the President's budget and \$38,610,000 above the House allowance.

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipment ranges from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance.

Offset folios 0 to 0-OTHER PROCUREMENT, NAVY-insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

#### INSTALLATION OF MODIFICATIONS

Last year the Committee reluctantly agreed to support the Defense Department's request to fund installations incrementally in procurement accounts corresponding to the year in which the installation costs are to be obligated. Prior to fiscal year 1994, starting in fiscal year 1990, the full funding principle was used

in which the complete cost of installing the equipment would be included in the year in which the purchase of the modification kit was requested, with funding then being available for obligation up to the 3-year statutory limitation of the affected procurement accounts.

In examining the effectiveness of the annual funding principle of installing equipment, it is apparent that many modifications are being made due to various program and schedule changes. Therefore, the Committee recommends a general reduction of \$10,000,000 in the Navy's other procurement installations budget to account for program delays and changes.

The Committee directs that the Defense Department continue to inform the Congress of the total cost of installing each kit to be purchased and display, by program, the fiscal years in which the installation funds will be requested and expected to be obligated. In addition, the justification documentation for modification programs shall specify by fiscal year the installation costs for those kits which have already been provided. Further, as stated last year, the Committee directs that these funds are not fungible. That is, funds requested and appropriated for installation costs are available only for installing the specific equipment for which funds were appropriated.

#### SHIPS SUPPORT EQUIPMENT

Submarine propellers.-The Navy's budget request includes \$2,422,000 for the procurement of submarine propellers. The Navy has informed this Committee that production engineering funding for fiscal year 1995 will not be required. The Committee recommends providing \$1,902,000, a reduction of \$520,000 from the budget request and House recommendation.

Pollution control equipment.-The Navy has included in its budget request \$65,867,000 for shipboard and shore pollution control equipment. The Committee recommends providing \$62,867,000, a reduction of \$3,000,000 from the budget request due to program delays and downsizing. The House recommends \$63,867,000.

#### COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Surface ship torpedo defense [SSTD].-The Navy budget request includes \$31,889,000 for the procurement and installation of SSTD equipment. The Committee recommends providing \$31,889,000, which differs from the House allowance of \$30,889,000.

The General Accounting Office has informed this Committee that the SSTD Program is experiencing development and operational test problems with the AN/SLR-24 torpedo detection system which will delay its production. The Navy also informed this Committee that the SSTD Program is being restructured, and the AN/SLR-24 system will be retested in fiscal year 1995 with milestone III production decision to follow. Due to the uncertainties associated with the restructuring and the potential for additional delays in this program, the Committee directs that none of the \$10,500,000 identified for AN/SLR-24 procurement in fiscal year 1995 may be obligated until the Assistant Secretary of Navy [RD&A] certifies to the congressional Defense committees that the phase II SSTD system has successfully passed operational test and evaluation.

Link 16 hardware.-The Navy budget request includes \$41,911,000 for link 16 hardware and installation. The Committee recommends \$37,911,000, a reduction of \$4,000,000 from the budget request and House allowance. The Committee has been informed by the Navy of savings in fiscal year 1994 due to favorable contract costs for the command and control processor. The \$4,000,000 reduction is for comparable savings anticipated in fiscal year 1995 which should be used to offset costs.

#### AVIATION SUPPORT EQUIPMENT

Weapons range support equipment.-The Navy's budget request includes \$41,606,000 for fleet combat readiness training ranges. The Committee recommends providing \$69,306,000, an increase of \$27,700,000 over the budget request and House allowance.

The \$27,700,000 shall be made available only for the following range improvements at the Pacific missile range facility [PMRF]: (1) \$2,500,000 for range operations control system upgrade and improvements to range standard configurations; (2) \$1,000,000 to replace a launch pad sequencer to provide multiple missile launch capability; (3) \$3,000,000 to upgrade range global positioning system capability to include airborne targets, missiles, and high performance aircraft; (4) \$1,500,000 for an underwater tracking system processor upgrade from an analog to a digital system utilizing naval gunfire support simulator chassis; (5) \$4,550,000 to support several electronic warfare improvement projects including integration and workstations for distributed interactive simulation to improve training; (6) \$250,000 for torpedo weapon recovery boat improvements; (7) \$200,000 to acquire a periscope buoy for littoral warfare test and evaluation and training support; (8) \$2,000,000 for procurement and integration of a replacement high performance video tracker system including digital visual imaging improvements; (9) \$1,500,000 to procure three command and control transmitters; (10) \$4,000,000 for remote launcher support activities; (11) \$5,400,000 to support communications modernization and upgrade projects including network systems, switches, connectivity expansion, integration of capability to support new systems, and automatic uninterrupted power system and backup generators; (12) \$800,000 to provide range resources baseline calibration, certification, and systems engineering; and (13) \$1,000,000 to acquire a full-scale target boat to support over-the-horizon firings and including provisions for integration of electronic warfare and target electronics systems to provide a realistic target capability.

#### ORDNANCE SUPPORT EQUIPMENT

TARTAR support equipment.-The Navy has included in its budget request \$36,267,000 for TARTAR support equipment. The Committee recommends providing \$38,667,000, an increase of \$2,400,000 over the budget request and House allowance.

The \$2,400,000 shall be made available only to obtain and install a Terrier MK 10 missile launcher system at the Pacific Missile Range Facility [PMRF], including necessary launcher system modifications, firing support equipment, spares, and associated installation equipment. The MK 10 launcher, which will be acquired from a decommissioned ship, will be used in a program to develop modifications to excess Terrier missiles to provide relatively low-cost supersonic sea skimming targets and theater ballistic missile targets for operational training and research, development, test, and evaluation purposes.

#### SPARES AND REPAIR PARTS

Spares and repair parts.-The Navy has requested \$314,571,000 for initial, replenishment, and outfitting spares. The Committee recommends \$291,071,000, a reduction of \$23,500,000 from the budget request and House recommendation. The reduction is for late obligations and program reductions.

#### OTHER ADJUSTMENTS

Authorization adjustments.-The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
AN/SSQ-53 [DIFAR]	24,353			-24,353	
AN/SSQ-77 [VLAD]	28,451			-28,451	
AN/SSQ-110 [EER]	11,557	37,231	37,231	+25,674	

AN/SSQ-62 [DICASS]	22,460	22,460	+22,460
AN/SSQ-36 [BT]	2,300	2,300	+2,300
AN/SSQ-86 [DLC]	2,370	2,370	+2,370

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Allison 501K gas turbine	8,188	7,000	8,188		+1,188
Other generators	9,013	8,013	9,013		+1,000
Submarine pump retrofit		1,000			-1,000
Other propellers and shafts	2,480	4,480	2,480		-2,000
Other navigation equipment	22,852	19,852	22,852		+3,000
Underway replenishment equipment	22,465	20,000	22,465		+2,465
Reactor components	194,673	180,000	194,673		+14,673
Standard boats	5,623	9,623	5,623		-4,000
Nuclear alterations	156,804	130,000	156,804		+26,804
AN/SPS-48	630	9,630	630		-9,000
Radar support	8,446	12,946	8,446		-4,500
Surface sonar windows and dome	3,217	10,117	3,217		-6,900
C-3 countermeasures	26,317	41,317	26,317		-15,000
SATCOM ship terminals	126,363	106,363	126,363		+20,000
Expeditionary airfields	5,561	4,561	5,561		+1,000
Surface Tomahawk support equipment	63,970	60,670	63,970		+3,300
LASER articulating robotic system, Philadelphia Naval Shipyard		9,500			-9,500
Natural gas utilization equipment		8,000			-8,000
Computer Acquisition Program	41,807	10,007	41,807		+31,800

#### PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

Appropriations, 1994	\$323,746,00006
(Transfer from weapons procurement, Navy)	(246,991,000)
(Transfer from procurement, Marine Corps)	(76,755,000)
Budget estimate, 1995	439,810,00006
(Transfer from weapons procurement, Navy)	(307,368,000)

(Transfer from procurement, Marine Corps)	(132,442,000)
House allowance	493,810,00006
Committee recommendation	432,815,000

This appropriation finances the acquisition of ammunition, ammunition modernization, and ammunition-related material for the Navy and the Marine Corps.

The Committee recommends an appropriation of \$432,815,000 for the "Procurement of ammunition, Navy and Marine Corps" account for fiscal year 1995. The amount recommended for appropriation is \$6,995,000 below the budget request and \$60,995,000 below the House allowance.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance:

Offset folios 0 to 0 PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS insert here\*\*\*TABLE GOES HERE\*\*\*

#### NAVY AMMUNITION

5 inch/54 gun ammunition.-The Navy's budget request includes \$52,965,000 for the procurement of 5 inch/54 gun ammunition in fiscal year 1995. The House has provided \$68,965,000 for this procurement, an increase of \$16,000,000 above the budget request. The Committee recommends providing the budget request.

The House reports that the amount requested by the Navy for 5 inch/54 gun ammunition will support an annual training requirement of 20,000 fewer rounds than required by the fleet. The additional funds provided by the House are intended to redress this shortfall.

The Navy states that this shortfall results from the budget request being developed based on fleet training consumption levels that have been constrained by fleet commanders in an effort to build war reserves up to minimum required levels. While this may be accurate, this is the same rationale the Navy used to convince Congress to add \$15,000,000 to last year's budget request with assurances that this disconnect would be fixed within the fiscal year 1995 budget. While the Committee acknowledges there is a shortfall, it will not support additional funding for a program that has been intentionally underfunded by the Navy for a second straight year.

#### MARINE CORPS AMMUNITION

.50 caliber.-The Committee recommends providing \$6,861,000 for the procurement of as much .50 caliber ammunition as these funds will allow. This is an increase of \$5,000,000 above the budget request, the same as the House allowance.

155mm chg, prop., red bag.-As discussed in the "Procurement of ammunition, Army" section of this report, the Committee directs the Army to transfer at least 17,000 excess M203A1 red bag charges, at no cost, to the Marine Corps. The Committee, therefore, denies the \$11,995,000 requested by the Marine Corps for the production of new charges in fiscal year 1995.

#### OTHER ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]



Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Practice bombs	2,827	12,827	2,827		-10,000
Air expendable countermeasures	12,088	14,088	12,088		-2,000
81mm illumination (M853)	3,227	24,227	3,227		-21,000

#### PROCUREMENT, MARINE CORPS

Appropriations, 1994	\$364,461,00006
(Transfer to procurement of ammunition, Navy and Marine Corps)	(76,755,000)
Budget estimate, 1995	422,178,00006
(Transfer to procurement of ammunition, Navy and Marine Corps)	(132,442,000)
House allowance	452,178,00006
Committee recommendation	403,410,000

The Committee recommends an appropriation of \$403,410,000, a decrease of \$18,768,000 below the President's budget request and \$48,768,000 below the House allowance.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, communication equipment, tracked combat and wheeled vehicles, and various support equipment.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the amended budget request:

Offset folios 0 to 0 PROCUREMENT, MARINE CORPS insert here\*\*\*TABLE GOES HERE\*\*\*

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
DARP	28,768	28,768		-28,768	-28,768
Night vision equipment	29,647	37,647	39,647	+10,000	+2,000

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]					
Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Lav thermal sights		3,000			-3,000
Single-channel ground and air radio	49,030	57,030	49,030		-8,000
Marine Enhancement Program		3,000			-3,000
Indoor simulated marksmanship trainer		8,000			-8,000

#### AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations, 1994	\$6,662,934,000
Budget estimate, 1995	6,747,599,000
House allowance	6,182,199,000
Committee recommendation	6,571,524,000

The Committee recommends \$6,571,524,000, a reduction of \$176,075,000 from the budget request and \$389,325,000 above the House allowance. This appropriation finances the construction, procurement, modernization, and modification of aircraft and equipment, including armor and armament, specialized ground-handling equipment, and flight training simulators, spare parts, and accessories; specialized equipment; and expansion of public and private plants, Government-owned equipment and installation.

#### COMMITTEE RECOMMENDED PROGRAM

The Committee recommended program for Air Force aircraft includes funds to purchase 6 C-17's, 2 JSTARS aircraft, 3 joint primary aircraft trainers, and 32 T-1 trainers. Additionally, support is provided for B-1 and B-2 bombers, the bomber industrial base, and modification programs. Support equipment is purchased for a variety of aircraft. The specific adjustments for this account are detailed in the table below and described in the text which follows.

Offset folios 0 to 0-AIRCRAFT PROCUREMENT, AIR FORCE insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

Bomber cost effectiveness.-The plan put forward by the Air Force regarding its bomber force structure has left many in Congress with an uneasy feeling. While the "Bottom-up Review" suggested that 100 bombers would be required for one major regional contingency [MRC], the Air Force plans to maintain a fleet of only 108 bombers for two MRC's. The House responded to this plan by authorizing a bomber upgrade program. The Senate authorized additional funds for bomber industrial base and directed that the current bomber force structure be maintained. The Defense Department is apparently reconsidering its bomber force structure for the future in light of the unanswered questions raised by the Congress.

The Committee notes several inconsistencies in the Air Force plan. For example, while 48 B-1 bombers are to be combat coded, the Air Force plans to modify 72 with certain capabilities, all 95 with other enhancements and only 50 for other improvements. Second, the Committee questions the creation of an

attrition reserve, believing that limited total resources will relegate these aircraft to hangar queen status rendering them ultimately useless.

The primary concern of the Committee is its belief that neither Congress nor the Defense Department has sufficient information to determine the required and most cost-effective bomber force structure. The Committee notes that several aerospace firms have conducted detailed research to measure the warfighting effectiveness of the planned Air Force fleet and most have found it wanting. A recent RAND analysis indicates that a force of 38 B-2's and 40 B-52's would provide a roughly comparable force in effectiveness to a fleet of 20 B-2's, 60 B-1B's and 40 B-52's, but would have more flexibility to meet two MRC's, and would be easier to employ operationally. The Committee notes the warfighting success of stealth fighters in Operation Desert Storm, using little ancillary support, and concludes that a cost-effectiveness analysis of all the alternatives could demonstrate that the overall capability of the stealthy B-2 overrides its high acquisition costs.

So too, the acquisition of a new conventional cruise missile for the B-1B might eliminate the need for this aircraft to penetrate hostile airspace, and, thereby, nullify the requirement to attempt to improve its fatally flawed electronic countermeasures systems. The cost effectiveness of this approach should be measured.

The Committee believes that the Air Force should refrain from taking any action which would prejudice the bomber force structure until a cost and operational effectiveness analysis can be completed which identifies the most cost-effective bomber force which can meet the two MRC objective. Therefore, the Committee directs the Office of the Secretary of Defense to contract with an outside entity, such as the Institute for Defense Analyses, to conduct such an analysis.

The analysis should focus on the total life cycle cost of all of the bomber programs, and measure different force levels of each program on its ability to meet the two MRC requirement. In discussing the life cycle cost, the study should include the costs associated with the support units-including fighter escorts, electronic warfare aircraft, and other such ancillary requirements-which would need to be acquired or upgraded, and operated and maintained to support the bombers in warfighting scenarios.

The Committee expects that the Defense Department can complete such a study in time for the congressional budget cycle for fiscal year 1996. In conjunction with this request, the Committee recommends inclusion of a general provision which would restrict the obligation of procurement and research and development funds for upgrading and modifying the bomber fleet until the report has been concluded.

The prohibition on the use of funds for new initiatives for bomber programs shall not apply to the administrative preparations for entering into the phase 2B contract for engineering and manufacturing development of the near precision weapons (joint direct attack munition and associated modifications) capabilities for the B-1B bomber under the B-1B Conventional Mission Upgrade Program. The permitted activities are issuing a request for proposal for this contract by the Air Force and discussions between the Air Force and potential contractors to define the cost, schedule, and scope of the work to be accomplished under the phase 2B contract.

**Bomber industrial base.**-The Committee recommends \$150,000,000 for maintaining the bomber industrial base, as authorized by the Senate. The Committee notes that these funds are expected to allow for the preservation of the capacity to produce critical components of the B-2 bomber for 1 additional year. The Committee expects to reexamine this issue next year following the submission of the bomber cost and operational effectiveness study.

**Bomber modernization funds.**-The Committee recommendations fully fund the request for bomber modification and modernization programs. The bill which the Committee recommends to the Senate includes language which restricts the obligation of these funds until the requested bomber cost and operational effectiveness report has been submitted to Congress.

**B-1 interim contractor support.**-The Committee recommends \$119,000,000 for interim contractor support for the B-1 bomber. This represents an increase of \$3,000,000 above the amount provided last year

to cover the cost of inflation, but is \$35,254,000 below the budget request. The Committee questions the growth requested noting that the omnibus reprogramming recommends a reduction in fiscal year 1994 for B-1B and current Air Force plans would greatly reduce the number of combat coded B-1 bombers in fiscal year 1995.

F-16 fighter.-The Committee believes the Air Force has supplied poor justification for the \$100,549,000 requested for the F-16 Program, noting that procurement of the F-16 ended last year. The Committee denies the budget request.

C-17 airlift aircraft.-The Committee recommends \$2,472,914,000 for the C-17 aircraft, the same as the budget request. This is \$465,600,000 above the House allowance. The Committee is fully supportive of continuing the C-17 through fiscal year 1996, and recommends an additional \$189,900,000 for advance procurement requirements as requested. The Committee notes the importance of resolving the disputes between the contractor and the Government, and supports the action of the Senate which endorsed settling these differences without further delay. The Committee has fully funded the request to ensure that sufficient funds are available to cover the settlement costs and procure the six authorized aircraft.

C-17 engines.-The Committee shares the concern of the House regarding the price of the C-17 engine. The Committee concurs in the desire of the House to attain a lower price for the C-17 engine. However, the Committee understands that the contractual agreement entered into by the Air Force for the C-17 engine was based on a commercial pricing relationship which recognized that engine prices would increase significantly in lot IV and would continue to increase to cover any engineering changes requested by the Air Force and to cover inflationary adjustments. Furthermore, the Committee believes the uncertainty of the program's future, beyond fiscal year 1996, makes the recommendation to qualify a second source costly and impractical.

The Committee directs the Air Force to reexamine its requirements for C-17 engine engineering change proposals and unique military features to attempt to reduce the engine price. Furthermore, the Committee strongly suggests to the Air Force that, in the future, it should resist using commercial pricing practices which tend to minimize up front prices at the expense of follow-on costs on major acquisition programs.

Nondevelopmental aircraft.-The Committee recommends no funds for the Nondevelopmental Airlift Aircraft Program instead of \$103,707,000 as requested. The Committee recognizes that the \$97,900,000 that was appropriated in fiscal year 1994 remains unobligated and is likely not to be used for another year. DOD is not expected to determine which program would be the best candidate for the nondevelopmental airlift aircraft until the fall of 1995. Therefore, it seems premature to provide additional funding for the program at this time.

C-130H Hercules.-The Committee recommends \$31,575,000 for the C-130H Program, a reduction of \$18,400,000 from the budget request. Based on changes recommended in the omnibus reprogramming, no justification was provided for these funds.

Joint Primary Aircraft Trainer [JPATS] Program.-The budget requests \$123,265,000 for the initial production of three JPATS trainers. The Committee concurs in the rationale of the House which reduces funding by \$15,000,000 noting that the vast majority of funds requested for this commercial off-the-shelf non•de•vel•op•mental program are not to buy the three aircraft requested, but are for nonrecurring and other support requirements. The Committee recommends a reduction of \$45,000,000 of the \$92,300,000 requested for these purposes.

E-8B joint surveillance target attack radar system.-The Committee recommends an increase of \$99,900,000 in advance procurement funds for the JSTARS Program as authorized by the Senate. The Air Force is directed to use the additional funds to purchase up to 12 B-707 airframes for future JSTARS. The Committee notes that these funds may only be used to the extent that the Air Force can achieve significant cost savings by purchasing the additional airframes at one time and only if the future years defense plan for fiscal year 1996 includes the purchase of at least 12 JSTARS aircraft.

The Committee allowance also reduces engineering change order funds by \$4,800,000, as was recommended by the Air Force in the omnibus reprogramming for the fiscal year 1994 program.

F-16 modifications.-The Committee recommends \$98,227,000 for modifications for F-16 aircraft, a reduction of \$59,000,000 from the budget request. The Committee recommends the lower amount noting delays in the ALE-47 chaff and flare dispensing system, the advance radar warning receiver, and the digital engine control programs.

Last year, the Congress provided \$4,500,000 in the Other Production Charges Program for the Air Force to purchase replacement bomb ejector racks. Even though the Air Force has tested the system and recognized the requirement to proceed, it has not yet followed the direction to initiate this program. Therefore, the Committee directs the Air Force contract to acquire this capability expeditiously and report back to it by March 1, 1995, on its progress. Furthermore, the Committee directs that the Air Force refrain from obligating any funds appropriated in fiscal year 1995 for the F-16 Program until the contract has been awarded.

C-141 modifications.-The Committee recommends \$10,471,000 for C-141 modifications instead of \$14,506,000 as requested and recommended by the House. The allowance reduces funds for the airlift defensive systems based on testing delays as identified by the General Accounting Office.

C-130 modifications.-The omnibus reprogramming request reduces funds for the compass call modification by \$4,500,000 leaving \$3,500,000 in the program. The Committee recommends \$73,541,000 for C-130 modifications, a reduction of \$3,500,000 from the budget request and the House allowance noting the remaining excess funds from the compass call modification.

C-135 modifications.-The Committee recommends \$71,740,000 for C-135 modifications, a reduction of \$31,700,000 from the budget request and the same as the amount authorized by the Senate. The Committee recommends that the Air Force reduce funding for the Multipoint Refueling Program due to delays in executing that program and consider delaying the common radar modification to achieve this reduction.

The Committee directs that none of the reduction shall be assessed against the follow-on refueling receptacles kits contained in the budget request. The funds for the first kit-proofing receptacle set have been transferred to the "RDT&E, Air Force" appropriations account.

The Committee reduces the funds sought for the multipoint refueling project because it understands they are premature until sufficient RDT&E has been accomplished to provide a firm foundation for this high priority activity. The Committee added funds in the "RDT&E, Air Force" appropriations account to provide such a foundation for this project, so that it will be ready for procurement as soon as possible in the future.

Other production charges.-The Committee recommends \$239,437,000 for other production charges, a reduction of \$20,030,000 from the budget request and House allowance. The Air Force has identified \$15,600,000 of EF-111 System Improvement Program funds which are not needed in the Other Production Charges Program. The remaining reduction of \$4,430,000 is a classified adjustment.

Classified programs.-The Committee has recommended other adjustments in classified programs which are displayed in the tables and discussed in the classified report.

B-2 depot maintenance.-The Committee recommends continuation of the provision Congress adopted last year regarding the use of any funds for organic depot maintenance until DOD submits a report explaining its intentions in this area. The report, which was due in May, has still not been delivered. The Committee notes it has fully funded the request for depot support activities for the B-2, and is aware that no funds were requested specifically for organic depot support. Nonetheless, the Committee insists that no funds be spent for organic capability unless and until the Defense Department submits the aforementioned report.

Aging airlift replacement.-The National Guard currently operates four aging C-22B aircraft, which support National Guard missions worldwide. These aircraft must be retired soon, due to increasing operating costs, failure to meet stage 3 noise limitations and aircraft age. The Committee urges the Air Force and the

Air National Guard to evaluate replacement of these limited capability aircraft with multiconfigured C-20G aircraft. The Guard could sustain the existing mission requirement with just two C-20G aircraft, versus the four C-22B jets. The National Guard could realize savings of up to \$3,000,000 annually with each two-for-one replacement of the C-22B. The Committee requests the Director of the Air National Guard to provide the Committee a comparison of operating costs, mission range, and cargo carriage between the C-20G and the C-22B.

#### WEAPONS PROCUREMENT, AIR FORCE

Appropriations, 1994	\$3,899,170,00005
Budget estimate, 1995	4,112,620,00005
(Transfer to procurement of ammunition, Air Force)	(279,553,000)
House allowance	2,758,285,00005
Committee recommendation	3,620,055,00005

The Committee recommends an appropriation of \$3,620,055,000 for the "Weapons procurement, Air Force" account for fiscal year 1995. This recommendation is \$492,565,000 below the President's budget request but \$861,770,000 above the House allowance.

This appropriation provides financing for the construction, procurement, and modification of missiles, rockets, spacecraft, and related equipment, including investment and repair parts, ground-handling equipment, and training devices; and the expansion of public and private plants, Government-owned equipment, and installations.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request:

Offset folios 0 to 0-MISSILE PROCUREMENT, AIR FORCE insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

##### OTHER MISSILES

Have Nap.-The Air Force did not include funding to continue the production of Have Nap missiles in fiscal year 1995. The Committee recommends providing \$26,000,000 for the procurement of as many Have Nap missiles in fiscal year 1995 as these funds will allow.

The Have Nap is currently mounted on seven B-52G aircraft which are in the process of being retired by the Air Force. These "G" models will be replaced by 10 B-52H aircraft, necessitating additional Have Nap missiles for the 3 additional aircraft. The Committee expects the Air Force to procure at least 36 Have Nap missiles with the funds provided and directs the program office to use any contract savings to buy supplementary missiles.

Tri-Service attack missile [TSSAM].-The fiscal year 1995 Air Force budget request includes \$373,875,000 for the low-rate initial procurement of 48 TSSAM missiles. The Committee, however, recommends no funds for the procurement of Tri-Service attack missiles in fiscal year 1995.

The Air Force has informed Congress that it will not initiate low-rate initial production in fiscal year 1995 because of technical problems within the development program. The Air Force proposes to restructure the TSSAM development, preproduction, and production contracts to accommodate the slips in the development program. As further evidence of the delays in the program, the Air Force has offered up as a reprogramming source \$73,316,000 of TSSAM procurement funds provided in fiscal year 1994 for preproduction activities.

While the Committee is not recommending production funds in fiscal year 1995, it does not agree with the House Armed Service Committee's direction to terminate the TSSAM program at this time.

### TACTICAL

Advanced medium range air-to-air missile [AMRAAM].-The Air Force budgeted \$309,462,000 for the procurement of 413 advanced medium range air-to-air missiles in fiscal year 1995. The Committee recommends providing \$277,855,000, for the procurement of as many AMRAAM missiles as these funds will allow. This is a reduction of \$31,607,000 from the budget request.

The General Accounting Office [GAO] has provided the Committee an analysis of the funding requirements for the AMRAAM program which identifies potential reductions to the Air Force's fiscal year 1995 request. First, the GAO reports that after submitting the fiscal year 1995 budget request, the AMRAAM budget control board reviewed the request and identified program changes that resulted in a \$16,829,000 reduction in fiscal year 1995 requirements. Second, the GAO reported that fiscal year 1994 engineering change order budget exceeds the program office's original estimate of anticipated change proposals and managements reserve requirements by \$3,938,000. Third, the GAO reports that the AMRAAM value engineering project manager budgeted \$10,000,000 in fiscal year 1995-\$3,800,000 for contractor efforts and \$6,920,000 for future, undefined development efforts. However, the AMRAAM program director increased the requirement to \$20,000,000 without a specific rationale, thereby overfunding the value engineering effort by \$10,000,000 in fiscal year 1995. Finally, the GAO reports the AMRAAM request includes \$1,110,000 to support the Seek Eagle Program but Seek Eagle Program officials have identified \$840,000 of this request as excess to their requirements.

GPS-aided munitions.-The Committee recommends providing \$40,000,000 for the procurement of GPS-aided munitions in fiscal year 1995.

### SPARES AND REPAIR PARTS

Spares and repair parts.-The Air Force budget request includes \$68,332,000 for the procurement of spares and repair parts for missiles procured in this account. The Committee recommends providing \$65,149,000 for these activities in fiscal year 1995, a reduction of \$3,183,000 from the budget request.

Of the funds requested in this line, \$2,000,000 is for initial spares associated with the low-rate initial production of 48 Tri-Service standoff attack missiles [TSSAM]. Because of delays in the TSSAM development program, the Committee has provided no funding for TSSAM low-rate initial production in fiscal year 1995 and, therefore, denies the requested funding for the associated initial spares.

The General Accounting Office has informed the Committee that the requested spare parts can be further reduced by \$1,183,000 because the funding requested for advanced medium range air-to-air missile [AMRAAM] is excess to program requirements.

### OTHER SUPPORT

Space boosters.-The Committee remains concerned that, despite a series of studies, initiatives, and advanced technology programs, the Department of Defense continues to launch spacecraft in an inefficient and costly manner. This is the consequence of a number of factors that include low launch rates, suboptimal payload and launch vehicle processing, and widely varying payload configurations. More specifically, over the past 5 years, expendable launch vehicle [ELV] production and launch rates have fallen dramatically due to the reduced defense requirements in the post-cold war period. This has been compounded by the fact that satellites have exceeded their onorbit life expectancies. The Titan IV production rates, for example, have been reduced three times reflecting this decreased demand from 10 vehicles per year to 2 vehicles per year. As a result, the cost of a Titan launch has increased significantly. This decreased demand and associated cost growth has also affected the Atlas II and Delta II launch vehicles.

The Department of Defense is fortunate to have proven launch vehicles in virtually every payload weight category. Support by the Congress in prior years has produced modernized versions of the Titan, Atlas, and Delta launch vehicles, as well as a variety of smaller vehicles. Technology programs to enhance component performance and reliability are ongoing. Nonetheless, DOD has an insufficient process for organizing these elements into a forward-looking, fully funded program. The Defense Department has failed to clearly define the requirements against which these elements are to be matched. Therefore, the Committee directs the Secretary of Defense to provide the following information to the congressional defense committees no later than April 1, 1995:

- Projected U.S. Government requirement for Delta II-Class payloads in the years 1995-2004;
- Projected U.S. Government requirement for Atlas II-Class payloads in the years 1995-2004;
- Projected U.S. Government requirements for Titan IV-Class payloads in the years 1995-2004;
- Projected U.S. Government requirements for all smaller-class payloads in the years 1995-2004; and

-Projected annual outlay requirements (in current and constant fiscal year 1994 dollars) to support the above launches using Delta, Atlas, and Titan launch vehicles, broken out by activity, that is, RDT&E, O&M, procurement.

The outlay data should clearly indicate any underlying assumptions, such as assumed reductions in infrastructure costs or processing time. The data should discuss the prospects for any particular payload or class of payloads to migrate to a lower payload class launch vehicle. Furthermore, the data should indicate the degree of confidence in the specific payloads, recognizing the prospects for DOD to increase its reliance on existing or emerging commercial satellites systems providing communications, remote sensing, and other services.

Recent actions have been taken by the Air Force and U.S. industry to consolidate excess capacity in the launch vehicle industry. These actions will reportedly result in savings of \$500,000,000 over 10 years. The consolidations efforts should ultimately result in lower Titan IV and Atlas II costs. The Committee supports the necessary restructuring of the Defense industrial base and anticipates not only cost savings but creativity to result from the process. This Nation has invested enormous resources in our current fleet and expects a return on that investment in the form of first-class access to space for important payloads.

Concerns about the rising cost of expendable launch vehicles prompted the Congress last year to direct an Air Force plan for space launch modernization. The space launch modernization plan, called the Moorman Report, has recently been issued. It developed four options but no specific course of action was recommended. The Department also has yet to recommend to Congress a specific course of action in response to the Moorman plan. The Committee is likewise aware of the recently published "Aerospace Corporation Report on the Titan IV Program." Nonetheless, the House Appropriations Subcommittee on Defense has directed that the Air Force initiate development of a family of new launch vehicles following the option 2 approach in the Moorman Report-evolving existing systems using current technologies. The House Appropriations Subcommittee on Defense suggested that both a medium- and heavy-lift family of vehicles could be developed in this manner for between \$1,000,000,000 and \$2,000,000,000 and suggested the use of shuttle as an alternative for large payloads beyond Titan IV vehicle 41, the last Titan IV delivered under the current contract.

The Air Force study is an excellent effort and General Moorman should be commended. However, option 2 is a conceptual outline and provides only a general framework for development and procurement. As such, it lacks firm cost and schedule data. Moreover, the dramatically reduced demand for launch vehicles of all weight classes is only beginning to stabilize in this post-cold war period. Thus, the Committee disagrees with the House recommendation to begin an evolved, expendable launch vehicle program in fiscal year 1995. The Committee, on the other hand, directs a more measured approach be taken to defining an evolved ELV investment before final decisions are made. This assessment needs to take into account the results of the April 1, 1995, mission requirements data requested above, the recently released Aerospace Corp. report which



recommends that Titan IV be used well beyond vehicle 41, and the August 1994 Titan IV Defense Acquisition Board Program Review.

The Committee further directs the Secretary of Defense to conduct an expendable launch vehicle industrial base study and report back by August 1, 1995. The study should address assured access to space by the different classes of expendable launch vehicles and the viability of the launch vehicle industry to support such access. The study should examine, in detail, all potential future options in the framework of current and evolving technologies. If the Secretary determines that a new launch vehicle or family of launch vehicles is required, a specific program plan should be defined in the report and funds sought in later budget submissions. This plan should consider the viability of the industry to support such a program while fulfilling Government requirements with the existing ELV fleet. The benefits for U.S. ELV competitiveness should be assessed for participation in the commercial launch vehicle market.

The Committee is very concerned about the Nation having assured access to space to maintain a superior military capability in the future. As proven in Persian Gulf war, our space systems are critical to the outstanding success of our military and will continue to be so in years to come. Launch on demand is an essential element of assured access to space. This requirement means that we must not place ourselves in a position of dependency on manned space systems such as shuttle for this military access. We need only to reflect on the Challenger accident and realize the lengthy time involved in returning manned space systems back to operation after a major mishap.

The Committee is mindful, however, of the need to avoid expending funds prematurely in pursuit of one or the other options. The Committee, therefore, will not provide the \$40,900,000 requested for advanced Titan IV procurement. If a decision is made for a follow-on Titan IV buy, ample time remains prior to the point when these funds must be committed for additional funding to be requested.

Medium-launch vehicles.-The budget contains \$120,480,000 for the procurement of three medium-launch vehicles III [MLV's], launch services funding for Delta II's and Atlas II's, and technical services for all three programs. The Committee recommends providing \$107,480,000 for these activities in fiscal year 1995, a reduction of \$13,000,000. The explanation of this reduction is provided in the research and development, Air Force section of this report.

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]					
Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
MM III modifications	18,284	9,284	9,284	-9,000	

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]	
	Committee recommendation compared to-
	Budget request

Item	Budget request	House allowance	Committee recommendation	Budget request	House allowance
AGM-130 powered GBU-15	71,756	69,256	71,756		+2,500
Target drones	29,043	17,043	29,043		+12,000
CALCM		29,400			-29,400
Spaceborne equipment [COMSEC]	2,092		2,092		+2,092
Global positioning [MYP]	134,831		134,831		+134,831
Global positioning [AP-CY] [MYP]	55,352		55,352		+55,352
Space shuttle operations	103,518		103,518		+103,518
Space boosters	381,817		381,817		+381,817
Medium-launch vehicles [AP-CY]	28,564		28,564		+28,564
Defense meteorological satellite program	29,159		29,159		+29,159
Defense support program [MYP]	363,959		363,959		+363,959
Defense satellite communications system	20,185		20,185		+20,185
Ionds [MYP]	35,649		35,649		+35,649
Ionds [MYP] [AP-CY]	9,954		9,954		+9,954
Special programs	1,619,032	1,960,532	1,532,032	-87,000	-428,500

#### PROCUREMENT OF AMMUNITION, AIR FORCE

Appropriations, 1994	\$290,749,00005
(Transfer from other procurement, Air Force)	(290,749,000)
Budget estimate, 1995	279,553,00005
(Transfer from weapons procurement, Air Force)	(279,553,000)
House allowance	278,681,00005
Committee recommendation	283,173,00005

The Committee recommends an appropriation of \$283,173,000 for the "Procurement of ammunition, Air Force" account. The recommendation is an increase of \$3,620,000 above the budget request and \$4,492,000 above the House allowance.

This appropriation finances the acquisition of ammunition, ammunition modernization, and ammunition-related material for the Air Force.

Offset folios 0 to 0-PROCUREMENT OF AMMUNITION, AIR FORCE insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED PROGRAM

##### CARTRIDGES

20mm training.-The Air Force's budget request includes \$18,295,000 for the procurement of 20mm training ammunition in fiscal year 1995. The Committee recommends \$38,295,000, an increase of \$20,000,000 to procure as many 20mm cartridges as these funds will allow.

30mm training.-The General Accounting Office [GAO] recommends the Air Force's entire \$23,672,000 fiscal year 1995 request for 2.5 million 30mm training cartridges should be denied because the projected inventory will exceed the inventory objective. While Air Force program officials agree with the GAO analysis, they would like to procure enough cartridges in fiscal year 1995 to maintain a warm industrial base. The Committee, therefore, recommends providing \$11,272,000, a reduction of \$12,400,000, to procure as many 30mm training cartridges as these funds will allow.

## BOMBS

Bomb, practice 25 pound.-The General Accounting Office [GAO] recommends that the Air Force's \$9,406,000 fiscal year 1995 request for 25-pound practice bombs should be reduced by \$3,980,000 because the projected inventory will exceed the Air Force objective. The Committee, therefore, provides \$5,426,000 for the procurement of as many 25-pound practice bombs as these funds will allow.

## OTHER ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]					
Item	Budget request	House allowance	Committee recommen- dation	Committee recommendation compared to-	
				Budget request	House allowance
Flare, IR MJU-7B	16,260	6,540	16,260		+9,720

## OTHER PROCUREMENT, AIR FORCE

Appropriations, 1994	\$7,346,501,00005
(Transfer to procurement of ammunition, Air Force)	(290,749,000)
Budget estimate, 1995	7,078,253,00005
House allowance	6,886,613,00005
Committee recommendation	6,897,696,00005

The Committee recommends an appropriation of \$6,897,696,000 for the "Other procurement, Air Force" account. The recommendation is a decrease of \$180,557,000 from the budget request but \$11,083,000 above the House allowance.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

## COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the budget request and the House allowance.

Offset folios 0 to 0-OTHER PROCUREMENT, AIR FORCE insert here\*\*\*TABLE GOES HERE\*\*\*

## COMMITTEE RECOMMENDED ADJUSTMENTS

### VEHICULAR EQUIPMENT

Armored sedan.-The Air Force has requested \$469,000 for the overseas purchase of two replacement armored sedans. The Committee recommends denying this request due to price increases from the single available source. The Committee has been informed that a second source will become available in fiscal year 1996. The House recommends denial of this request.

60K A/C loader.-The Air Force budget request includes \$29,329,000 for the procurement of 60,000 pound aircraft (60K A/C) loaders. The loader will augment and ultimately replace three types of older loaders. The Committee recommends \$15,500,000, a reduction of \$13,829,000 from the budget request and House recommendation.

The Air Force has informed the Committee that initial operational test and evaluation is scheduled in May 1996 on the first two low-rate-initial production loaders from the fiscal year 1994 production. Also, the final technical data package will not be available until after fiscal year 1995, and the unit cost has increased significantly over the design estimate. As a result the Air Force has reduced the quantity of loaders planned for procurement in fiscal year 1994 from 19 down to only 8 loaders to stay within budget, and the fiscal year 1995 budget request would have funded only 15 loaders instead of the planned 27. The Committee's recommendation for reduced funding is made to minimize production risks. The slowdown in production should allow more time to test, update and finalize design, and refine manufacturing processes to improve cost controls. The Air Force has informed the Committee that the reduced funding is sufficient to continue low-rate production in fiscal year 1995 at the contracted minimum of five loaders.

#### ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

Theater air control system improvements.-The Air Force has requested \$78,774,000 for the theater air control system improvements [TACSI] program. The Committee recommends \$64,634,000, a reduction of \$14,140,000 from the budget request. The House recommends \$71,174,000.

Fiscal year 1993 funds for two joint tactical information distribution system [JTIDS] kits are still not obligated due to delays caused by the necessity to revise interface specifications. The Air Force now plans to award contracts in fiscal year 1995 for these two kits. The Committee recommends that the Air Force rephase its procurement as a result of the delays. The Committee is also informed that significant savings were realized in fiscal year 1994 as a result of favorable contract cost for fixed workstations. These savings should be applied to procurement in fiscal year 1995.

Defense support program.-The Air Force budget request includes \$15,102,000 for the defense support program [DSP] early warning system. The committee recommends providing \$24,094,000, an increase of \$8,992,000 above the budget request. The increase is the result of rephasing \$8,992,000 of fiscal year 1995 RDT&E funding to other procurement to accelerate Talon Shield/ALERT as requested by the Air Force. The House centralized DSP other procurement funding into the procurement, defensewide appropriation for major space programs, and recommends \$24,102,000.

Spacetrack.-The Air Force budget request includes \$918,000 for the procurement of communications equipment to begin operations for the HAVE STARE radar. The Committee has been informed by the Air Force that requirements for the radar have not been determined, and, therefore, procurement funding may not be required in fiscal year 1995. The Committee recommends denying the request for \$918,000 due to requirements not being identified. This differs from the House allowance of full funding.

Automatic data processing equipment.-The Air Force requested \$39,121,000 for procurement of automatic data processing equipment. The Committee recommends providing \$43,621,000, an increase of \$4,500,000 over the budget request. The \$4,500,000 is a transfer from operation and maintenance, Air Force, to support the test regional civilian personnel centers. The House recommends \$34,932,000.

WWMCCS/global command and control system.-The Air Force budget request includes \$12,623,000 for automated data processing equipment for four command and control programs. The Committee recommends \$8,434,000, a reduction of \$4,189,000 from the budget request. The House recommends \$8,423,000. The Air Force command and control system [AFC<sup>2</sup>S] hardware program, one of the four command and control programs, was terminated by the Air Force. Therefore, \$4,189,000 designated for AFC<sup>2</sup>S in fiscal year 1995 will not be required.

Combat training ranges.-The Air Force budget request includes \$16,989,000 for the joint air combat training system [JACTS] Nellis Air Force Base upgrade. The Committee recommends \$11,689,000, a reduction of \$5,300,000 from the budget request and House allowance. The Air Force informed this Committee of a program delay in awarding the fiscal year 1994 contract for \$5,300,000 which is now estimated for award in fiscal year 1995. The Committee recommends that the Air Force rephase its procurement for fiscal year 1995 as a result of this delay. The Committee also recommends that the Air Force go slow until requirements are determined for the joint Air Force-Navy air combat tactical training range.

Base level data automation program.-The Air Force has requested \$34,093,000 to support its automated baselevel functions. The Committee recommends providing \$31,093,000, a reduction of \$3,000,000 from the budget request and House recommendation. The Committee recommends that the Air Force slowdown development of its baselevel systems modernization efforts and first bring them in line with the mandated Corporate Information Management [CIM] initiative as discussed elsewhere in this report. The reduction is also due to poor program execution performance during fiscal years 1993-94.

#### OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

Newark Air Force Base calibration package.-The Air Force has requested \$1,601,000 for measurement standards. The Committee recommends funding be withheld for this program due to the scheduled base closure of Newark Air Force Base in fiscal year 1996. The House provides \$1,601,000.

Poor obligation rates/program execution performance.-The following fiscal year 1995 program reductions are recommended in light of poor program execution performance during fiscal year 1993 and/or fiscal year 1994:

Spares and repair parts	-\$26,202,000
Pallet, air cargo	-3,618,000
Wartime host nation support	-1,447,000
Total	-31,267,000

#### OTHER ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]					
Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
2.5-ton SLEP		10,800			-10,800
General reduction, MMII		-20,900			+20,900
Air traffic control/landing system [ATCALs]	2,423	1,000	2,423		+1,423
ASOS		5,000			-5,000
Defense meteorological satellite program	16,081		16,081		+16,081
Air Force satellite control network	25,810		25,810		+25,810
Theater battle management C <sup>2</sup> system	45,547	32,400	45,547		+13,147
Automated telecommunications program	29,558	12,000	29,558		+17,558
Antijam voice	390		390		+390

Comm elect modifications	18,850	18,100	18,850		+750
Items less than \$2,000	11,667	10,667	11,667		+1,000
Chemical/biological defense program	7,736	7,000	7,736		+736
Items less than \$2,000	4,304	3,304	4,304		+1,000
Natural gas utilization equipment		5,000			-5,000
Mobility equipment	12,807	8,507	12,807		+4,300
Items less than \$2,000	18,244	12,144	15,908	-2,336	+3,764

#### PROCUREMENT, DEFENSEWIDE

Appropriations, 1994	\$1,810,039,000
Budget estimate, 1995	1,744,916,000
House allowance	3,020,616,000
Committee recommendation	1,894,916,000

The Committee recommends an appropriation of \$1,894,916,000, an increase of \$150,000,000 to the budget estimate but \$1,125,700,000 below the House allowance.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The 1994 program includes procurement of automatic data processing equipment, mechanized material handling systems, general and special purpose vehicular equipment, communications equipment, and other items.

#### COMMITTEE RECOMMENDED PROGRAM

The following table details the Committee recommendations in comparison to the amended budget request:

Offset folios 0 to 0-PROCUREMENT, DEFENSEWIDE insert here\*\*\*TABLE GOES HERE\*\*\*

#### COMMITTEE RECOMMENDED ADJUSTMENTS

##### MAJOR EQUIPMENT

Major equipment, OSD/WHs.-The Defense Department has requested \$77,780,000 for the procurement of major equipment. This Committee recommends providing \$64,280,000, a reduction of \$13,500,000 due to a revised fielding plan for the joint engineering data management and information control system [JEDMICS]. The House allowance is \$104,280,000. The Committee also recommends a reduction of \$13,500,000 in the "Defensewide operation and maintenance" appropriation for support associated with JEDMICS.

Defense Airborne Reconnaissance Program [DARP].-The unmanned aerial vehicle [UAV] joint program office [JPO] originally requested \$250,660,000 for procurement of UAV systems and spares. The Committee provides \$236,960,000, a decrease of \$13,700,000 to the budget request and an equal amount below the House allowance. The Department of Defense recently decided to decrease the planned procurement of short range UAV systems from seven to four. A reduction of \$55,400,000 eliminates the amount now excess to firm procurement requirements based on the decrease in quantity. Further, the Committee has added \$41,700,000 as approved by the Senate for the joint service imaging processing system [JSIPS]. The Committee also provides \$25,362,000, the requested amount, only to support the Pioneer UAV system.

#### CLASSIFIED ADJUSTMENTS

Classified programs.-The Department requested a total of \$466,322,000 for classified activities within the "Defensewide" account. The Committee recommends providing \$488,761,000 for these activities in fiscal

year 1995, an increase of \$109,200,000 from the budget request and \$114,165,000 above the House allowance. A detailed explanation of this adjustment is contained within the classified annex of this report.

## OTHER ADJUSTMENTS

### DEFENSEWIDE NATURAL GAS CONVERSION

The Energy Policy Act of 1992 and subsequent Executive orders require the Federal Government, subject to availability of funding, to increase use of alternate fueled vehicles. To assist in meeting these objectives, the Committee has provided additional funding to allow each of the services to procure natural gas vehicles. The Committee also approves the use of this increase for the procurement and installation of natural gas utilization equipment to demonstrate natural gas conversion technologies.

The existing acquisition process could require significant effort on the part of the services to efficiently coordinate purchases with other departments and agencies. The Committee, therefore, recommends centralizing all Defense procurement funding for natural gas conversion under a defensewide appropriation. Included are natural gas vehicles, and other nondevelopmental natural gas chillers and fuel cells for air conditioning, heating, and electrical power generation.

Furthermore, Federal and private investments in electric vehicle technologies have supported efforts to improve the performance and reduce the cost of electric and hybrid electric vehicles. The Committee believes these developments also can best be implemented in the Federal fleet by consolidating new and conversion electric vehicle purchases within the "Defensewide" account. Thus, the Committee also approves the use of the recommended funding increase for the purchase of hybrid electric and electric vehicles for use by the Department of Defense.

The Committee recommends providing \$25,000,000 for the Electric Vehicle and Natural Gas Conversion Acquisition Program. The Committee directs the Deputy Under Secretary of Defense for Environmental Security to plan, program, budget, coordinate, and acquire electric vehicles, natural gas vehicles, and natural gas equipment for the services and Defense agencies. The Committee also directs that these funds shall not be obligated until the Deputy Under Secretary of Defense for Environmental Security has provided the congressional Defense committee with a comprehensive acquisition program plan for the fiscal year 1995 funds.

The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization committee action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
DARP	250,660	250,660	236,960	-13,700	-13,700
Joint biological defense program			3,000	+3,000	+3,000
Mentor-protege program			40,000	+40,000	+40,000

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommen- dation	Committee recommendation compared to-	
				Budget request	House allowance
Supercomputers		130,000			-130,000
Items less than \$2,000,000	74,010	24,010	74,010		+50,000
Automated information system equipment	15,402	10,402	15,402		+5,000
Other capital equipment	28,531	23,531	28,531		+5,000
Items less than \$2,000,000	4,000	2,000	4,000		+2,000
Navy TMD	14,496		14,496		+14,496
C-130 modifications	65,661	58,361	65,661		+7,300
MH-47/MH-60 modifications	10,666	5,966	10,666		+4,700
PC, Cyclone class	12,380	18,180	12,380		-5,800
Defense satellite communications system (Army)		104,536			-104,536
Fleet satellite communication [MYP]		125,480			-125,480
Spaceborne equipment [COMSEC]		2,092			-2,092
Global positioning [MYP]		134,831			-134,831
Global positioning [AP-CY] [MYP]		55,352			-55,352
Space shuttle operations		103,518			-103,518
Space boosters [AP-CY]		29,000			-29,000
Medium-launch vehicles		120,480			-120,480
Medium-launch vehicles [AP-CY]		28,564			-28,564
Defense meteorological satellite program		29,159			-29,159
Defense support program [MYP]		363,959			-363,959
Defense satellite communications system		20,185			-20,185
Ionds [MYP]		30,649			-30,649
Ionds [MYP] [AP-CY]		9,954			-9,954
Defense support program		24,102			-24,102
Defense meteorological satellite program		15,000			-15,000
Natural gas vehicles		10,000			-10,000

#### NATIONAL GUARD AND RESERVE EQUIPMENT

Appropriations, 1994	\$1,200,000,000
Budget estimate, 1995	.....
House allowance	796,200,000
Committee recommendation	952,000,000

The Committee recommends a funding level of \$952,000,000 for National Guard and Reserve dedicated equipment. This recommendation is \$952,000,000 above the budget request and \$155,800,000 above the House allowance.

The Committee requests that the Chief of each National Guard and Reserve component receiving such funds, allocate them to enhance, to the greatest extent possible, the military capability of their respective units. In addition, a report is to be provided to the Senate and House Committees on Appropriations and Armed Services on the items of equipment to be procured with such funds within 120 days after the date of enactment of this act.



## COMMITTEE RECOMMENDED PROGRAM

The following tables detail the Committee recommendations in comparison to the President's budget request:

Offset folios 0 to 0-NATIONAL GUARD AND RESERVE EQUIPMENT insert here\*\*\*TABLE GOES HERE\*\*\*

## COMMITTEE RECOMMENDED ADJUSTMENTS

### ARMY RESERVE

Miscellaneous equipment.-The Committee recommends \$90,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Army Reserve units.

### NAVY RESERVE

Miscellaneous equipment.-The Committee recommends \$80,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Naval Reserve units.

### MARINE CORPS RESERVE

Miscellaneous equipment.-The Committee recommends \$52,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Marine Corps Reserve units.

### AIR FORCE RESERVE

Miscellaneous equipment.-The Committee recommends \$75,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Air Force Reserve units.

### ARMY NATIONAL GUARD

Miscellaneous equipment.-The Committee recommends \$125,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Army National Guard units.

### AIR NATIONAL GUARD

Miscellaneous equipment.-The Committee recommends \$55,000,000 for the procurement of unspecified miscellaneous equipment purchases to improve the readiness ratings of Air National Guard units.

National Guard and Reserve aircraft.-The Committee recommends \$475,000,000 for the acquisition of tactical transport aircraft to support Reserve and National Guard missions. The Committee expects the Chief of the Reserve components to submit a plan identifying the specific type and quantity of aircraft to be purchased with these funds and the specific missions to be supported by these assets to the House and Senate Committees on Appropriations and Armed Services not later than January 15, 1995.

### OTHER ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommen- dation	Committee recommendation compared to-	
				Budget request	House allowance
Army Reserve:					
Engineer equipment		15,000			-15,000
Automatic building machines		2,500			-2,500
M-915/M-916/heavy dump trucks		7,500			-7,500
5-ton flatbed trailers		4,300			-4,300
Navy Reserve:					
C-130 aircraft		67,800			-67,800
P-3 upgrade		42,000			-42,000
MIUW van upgrade		10,000			-10,000
Air Force Reserve:					
Small arms simulator		5,000			-5,000
C-130H aircraft		67,800			-67,800
KC-135 reengining		24,000			-24,000
Army National Guard:					
UH-60Q helicopter upgrade kits		25,000			-25,000
Night vision devices and drivers night viewer		17,000			-17,000
M-109A5		12,000			-12,000
FAASV		42,000			-42,000
ACE		40,000			-40,000
External auxiliary fuel tanks		2,000			-2,000
Huey SLEP		3,000			-3,000
M-915/M-916/Heavy dump trucks		7,500			-7,500
Air National Guard:					
C-130 aircraft		203,400			-203,400
KC-135 reengining		24,000			-24,000
KC-135 radar modifications		5,000			-5,000

#### DEFENSE PRODUCTION ACT PURCHASES

Appropriations, 1994	\$200,000,000
Budget estimate, 1995	.....
House allowance	.....
Committee recommendation	.....

The Committee recommends no funding for the fiscal year 1995 Defense Production Act purchases programs.

Funding in this account provides for the purchase, or commitments to purchase, critical defense metals, minerals, or other materials with the express purpose of creating a domestic source or increasing the current U.S. industrial capacity.

#### COMMITTEE RECOMMENDED PROGRAM

Radiation resistant electronics [RRE].-The Committee does not support the House direction to the Department to provide \$30,000,000 from the funds appropriated in fiscal year 1994 to establish commercial, domestic RRE manufacturing capacity.

#### TITLE IV

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

### SUMMARY OF COMMITTEE ACTION

The fiscal year 1995 Department of Defense budget request for research, development, test, and evaluation [RDT&E] totaled \$36,225,013,000. Title IV of the accompanying Senate bill contains \$35,405,174,000, a reduction of \$819,839,000, or about 2.3 percent from the budget estimate. The recommended allowance is \$213,683,000 above the fiscal year 1994 appropriation for RDT&E in title IV. An additional \$134,339,000 for RDT&E is reduced from the bill through a recommended general provision, section 8054, governing funding for defense federally funded research and development centers [FFRDC's], university-affiliated research centers, and non-FFRDC consultants. The following table summarizes the budget estimates and Committee recommendations:

	[In thousands of dollars]		
	Budget estimate	Committee recommendation	Change from budget
RDT&E, Army	5,260,082	5,304,329	+44,247
RDT&E, Navy	8,934,718	8,790,331	-144,387
RDT&E, Air Force	12,349,362	12,151,011	-198,351
RDT&E, defensewide	9,416,855	8,922,649	-494,206
Director of Test and Evaluation	251,495	224,353	-27,142
Director of Operational Test and Evaluation	12,501	12,501	
Total, title IV, RDT&E	36,255,013	35,405,174	-819,839
Section 8054 FFRDC general reduction		-52,650	-52,650
Section 8054 university affiliated research centers general reduction		-19,055	-19,055
Section 8054 non-FFRDC consultants general reduction		-62,634	-62,634
Total, RDT&E	36,225,013	35,270,835	-954,178

### PRINCIPAL COMMITTEE OBSERVATIONS

#### SCIENCE AND TECHNOLOGY ADVANCED DEMONSTRATIONS-ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS

For the past 2 years, the Committee has expressed serious reservations about the magnitude, scope, pace, direction, and cost of the science and technology advanced technology demonstrations [ATD's] requested in the "RDT&E" accounts. Chief among these deficiencies were high costs, and the fact that many of the ATD's would not result in actual military capability because the armed services were unwilling to budget for continued development or deployment.

Since last year, the Department of Defense has attempted to address some of the Committee's concerns by creating a new category of technology demonstrations called advanced concept technology demonstrations [ACTD's]. The ACTD's are a subset of the much larger number of ATD's which remain.

By emphasizing early user involvement in the planning and executing of the ACTD's, the Department has taken a positive step. Nevertheless, the costs projected for the ATD's and the ACTD's remain high for both fiscal year 1995, and the rest of the Future Years Defense Program. In addition, the Department still has no assurance that the users are willing to support maintaining any residual operational capability after the RDT&E funds allocated for the ACTD's no longer are available. The Department also appears to be down-playing the logistics and other military complexities of operating even user-friendly, one-of-a-kind systems.

Thus, the viability of the ACTD's, and of the still-ongoing ATD's, remains militarily and fiscally uncertain. The Committee urges the Department to be extremely selective and conservative in initiating ACTD's until more experience has been gained as to their advantages and disadvantages. In this regard, the Committee is concerned about the growing number of ACTD's which are being promoted by the services, and which are being considered by the Office of the Secretary of Defense for the future.

The complex development required for some of these undertakings suggests that they may not be appropriate for the streamlined acquisition procedures used for ACTD's. The potential for high cost also suggests that they should compete for funds against other service acquisition priorities.

In view of these concerns, the Committee has recommended modifications to the budget request for the ACTD's. These recommendations are described later in the RDT&E section. The Committee also directs that no other ACTD's may be initiated during fiscal year 1995.

#### FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS [FFRDC'S]

The Committee remains perplexed that, despite high-level attention by the Defense Department leadership, the Department's attempts to better manage the defense federally funded research and development centers and to reduce their overall funding has yielded only limited results.

The Committee appreciates attempts by the Department's leadership to respond to the Committee's criticisms about the excessive funding and lax management of the FFRDC's. However, the Committee cannot understand why, so many months after the budget request was formulated and submitted, the Office of the Secretary of Defense [OSD] cannot, with precision, identify the amount of funds to be allocated for each defense FFRDC for fiscal year 1995. The updated version of the overall FFRDC management plan also is overdue.

The Committee has received no compelling information to convince it that maintaining the essential core capabilities of the FFRDC's—a goal it supports—requires the funding and personnel levels claimed as desirable by the FFRDC's and their sponsors.

Therefore, the Committee recommends bill language to limit total FFRDC funding during fiscal year 1995 to \$1,300,000,000, and to reduce RDT&E spending by \$52,650,000, to reflect this ceiling. The Committee notes that both of these actions are identical to those approved in the Senate version of the National Defense Authorization Act for Fiscal Year 1995.

Due to concerns about the Pentagon's FFRDC management, however, the Committee recommends bill language which prevents any waiver to exceed the FFRDC spending ceiling. The Committee's recommendation does permit OSD to allocate resources among the individual FFRDC's.

The Committee also has been made aware of the large salaries paid to the officers of several of the FFRDC's, and of the high compensation levels received by FFRDC trustees, overseers, and senior advisory group members. Accordingly, the Committee recommends bill language which limits the maximum pay for FFRDC officers to no more than the amount received by the Secretary of Defense. A further provision restricts compensation for FFRDC high-level board and advisory group members to the per diem and travel expenses permitted for members of the Defense Advisory Board. The Committee recommends that these compensation-related provisions become effective July 1, 1995, so as to permit any individuals affected by them to adjust to their impact.

Furthermore, the Committee has received information indicating that fees received by some FFRDC's from the Federal Government have been used for some questionable purposes, such as paying costs which are otherwise not reimbursable by the Government (contributions to charities, universities, local governments, et cetera) or for cost sharing for projects funded by Government grants. In the former instance, the Government pays with one hand what it is prohibited from paying with the other. In the latter case, the principle of cost sharing becomes a fiction, as the Government pays both shares.

The Committee recommends bill language to eliminate the fees paid to defense FFRDC's and to prohibit them from using Federal funds for contributions and other purposes such as those previously discussed.

Bill language also is recommended to prevent the obligation of more than 50 percent of the fiscal year 1995 funds to be received by each FFRDC until the Defense Department submits to the congressional defense committees a copy of the revised master plan, including manpower and funding ceilings for fiscal year 1995 for each defense FFRDC.

#### OTHER NONPROFIT DEFENSE RESEARCH INSTITUTIONS

Last year, the Committee articulated concerns that nonprofit federally funded research institutions and university affiliated research centers also represent a costly component of the defense RDT&E infrastructure which should be examined for possible economies and efficiencies. The Committee directed the Defense Department to provide a comprehensive report on expenditures at these research centers and institutions.

The report provided by the Pentagon supports a conclusion that these institutions should, at a minimum, be subject to increased management by the Office of the Secretary of Defense, and that funding constraints are warranted. Accordingly, the Committee recommends bill language to reduce RDT&E spending for these institutions by \$19,055,000 during fiscal year 1995.

A recommended general provision also requires the Secretary of Defense to submit, no later than April 1, 1995, an overall management plan for these institutions which: (1) establishes annual funding and manpower ceilings for each institution, and a total annual funding and manpower ceiling; (2) describes in detail what actions are being taken to increase OSD management and to reduce future annual funding; and (3) explains the contracting arrangement with each institution, including an evaluation of whether future efforts should be competitively awarded.

#### CONSULTANTS

The Committee's focus on reducing funding for defense federally funded research and development centers, other nonprofit federally funded research institutions, and university affiliated research centers is not intended simply to transfer spending to other entities. As the overall defense budget declines, the Committee believes that all major components of the defense infrastructure must be examined for reasonable reductions. In this regard, the private sector consultant community which services the Defense Department also must bear its share of the defense drawdown.

Accordingly, the Committee recommends bill language to reduce total funding during fiscal year 1995 for consultants not affiliated with defense FFRDC's, other nonprofit federally funded research institutions, and university affiliated research centers by \$62,634,000 and to reduce RDT&E spending by that amount.

#### UNIVERSITY RESEARCH GRANTS

The Committee commends the Department of Defense for making progress in resolving disagreements with universities over the hundreds of millions of dollars which may have been overbilled to the Federal Government under research grants managed by the Pentagon. However, the Committee has been informed that \$234,735,000 remains in dispute, as identified in audits for expenditures dating as far back as fiscal year 1981.

The Committee restates its strong belief that these disagreements should be settled more rapidly. Last year, the Committee initially recommended bill language which would encourage universities to repay such sums without delay. The Committee decided against pursuing this initiative last year in order to give the Defense Department leadership an opportunity to address this problem.

The Committee stands ready to assist the Department's leadership in attacking the problem during fiscal year 1995, including by considering later legislation to encourage more timely resolution of the billing disputes. At present, the Committee directs the Deputy Secretary of Defense to report on the status of efforts

to resolve the outstanding audits and include an assessment of each educational institution's level of cooperation with the Department on these matters. The report, which is due no later than March 31, 1995, also must contain an action plan with particular steps to be taken on a specific timetable to settle the billing disagreements.

The Committee also recognizes the need to reduce overall funding provided for university research in view of the large growth in this area during the past years. However, the Committee disagrees with the \$900,000,000 reduction recommended in the House allowance, since such a 1-year decrease may disrupt legitimate defense-related research and cause undue hardship for the university community. The Committee recommends a much more modest reduction as reflected in the following table:

[In thousands of dollars]

Army defense research sciences	-14,520
Navy defense research sciences	-7,549
Air Force defense research sciences	-34,805
109OFFICE OF SECRETARY OF DEFENSE [OSD]-UNIVERSITY RESEARCH INITIATIVES	-25,000

The recommended reductions constrain the Army, Navy, and OSD program elements to the fiscal year 1994 spending level and restore the Air Force program element to its historical average percentage of the service's science and technology budget.

#### OVERSIGHT, CONSULTATION, AND NOTIFICATION

The Committee reemphasizes the importance it places on funds being executed only for the purposes for which they were requested, justified, and appropriated. Therefore, the Committee requires that advance notification to, and advance consultation with, the Committee occur in the following cases: (a) for new program, project, or subproject starts or for significant realignments of funds within program elements or projects during the fiscal year; a significant realignment is any movement of funds exceeding \$4,000,000, or any movement of funds which would support a major change in program scope, content, structure, schedule or cost; (b) for below-threshold reprogrammings or funding reallocations which begin studies, cost and operational effectiveness analyses, and acquisition milestone documentation; (c) for reallocations of any unobligated or deobligated funds for any program terminated during fiscal year 1995 or proposed for termination in the fiscal year 1996 budget request.

#### INTERPRETATION OF REPORT LANGUAGE

The Defense Department and its components are directed to consult with the relevant Committee on Appropriations without delay if questions arise as to the accurate interpretation of language, guidance, or direction contained in a respective Committee report. With respect to questions regarding a conference report and joint explanatory statement of the committee of conference, the Department and its components are directed to consult without delay with both Committees on Appropriations. The Committee directs that these consultations occur prior to the Department or any of its components taking any action which might be affected by the language in question.

#### SPECIAL TERMINATION COST CLAUSES

Under normal acquisition procedures, the annual budget request for each significant RDT&E activity is required to include the full amount of funds needed to pay estimated, outstanding Government obligations if a contract is terminated. A certain amount of these funds normally may not be used until later in the year to maintain their availability for termination costs. However, the Defense Federal acquisition regulations permit the use of a special termination cost clause [STCC] under unique circumstances to reduce this annual budget allocation and to permit an earlier use of the funds for actual RDT&E obligations.

The armed services have used this special clause very sparingly in the past, and its employment requires senior management approval. Nevertheless, the Committee knows of an instance when the clause was used

under circumstances which significantly weakened congressional oversight of the funds and program in question.

The Committee directs that components of the Defense Department consult with, and notify, the Committees on Appropriations, not less than 45 days in advance of any proposed execution of a special termination cost clause in the future.

#### JOINT ADVANCED STRIKE TECHNOLOGY [JAST] PROGRAM

The Committee believes that there is duplication, excessive redundancy, and insufficient coordination among the many projects and program elements which contain activities to develop advanced and more affordable capabilities for current and future Air Force and Navy tactical combat aircraft. The Committee believes that the JAST Program has established a management and project evaluation structure which permits: (1) establishing priorities among all these efforts; (2) coordinating them to avoid duplication; and (3) focussing them to ensure that usable products are acquired.

The Committee concludes that the JAST Program is the appropriate mechanism for managing and guiding the Department's midterm and longer-term efforts to develop both more affordable and more advanced tactical aircraft technologies. Accordingly, the Committee recommends several modifications to the Air Force and Navy budget requests to eliminate funds for JAST-like projects outside the \$201,391,000 requested by the Defense Department and approved by the Committee for JAST for fiscal year 1995. The Committee also recommends an increase of \$40,000,000 to that amount for fiscal year 1995. The Committee regards the resulting large amount-\$241,391,000-as more than adequate to fund the highest priority/highest payoff projects during fiscal year 1995. The Committee also notes that the \$2,374,000,000 now programmed for JAST in fiscal years 1995-99 is a large enough amount for continuing such activities.

The JAST Program Office is directed to give high priority consideration to funding these projects originally outside its program which most contribute to achieving the goals of developing more affordable, more capable technologies which meet the most important military requirements.

The Committee also is convinced that the JAST Program is the most effective mechanism by which to manage an ASTOVL project. The JAST management should be more able to ensure that deliverables from the project are best configured to permit a decision whether an ASTOVL aircraft should be funded as one of the JAST Program's two flying prototypes.

To reflect these conclusions, the Committee recommends the following adjustments:

[In thousands of dollars]

#### Navy:

Air systems and weapons advanced technology:	
ASTOVL	-8,721
Moving spherical convergent flap nozzle	-5,000
Advanced technology transition: Intelligent damage adaptive flight control	-4,320

#### Air Force:

Aerospace vehicle technology:	
Mission reconfigurable cockpit	-2,671
Subsystem integration technology [SUIT]	-4,000
Subsystem integration/vehicle management [SIVMAT]	-300
Fighter lift and control	-350
Aerospace structures:	
Advanced metallic structures	-6,396
Advanced composite structures	-5,604
Aerospace propulsion and power technology: Aerospace power technology/more electric aircraft	-3,327
Advanced fighter technology integration:	
Within visual range VISTA system upgrade	-5,100

Innovative aero controls	-4,000
Advanced avionics integration:	
Avionics integration technology	-8,187
Modular avionics subsystems technology	-7,629
Office of the Secretary of Defense:	
Manufacturing technology/manufacturing 2005:	
Military products from commercial lines (avionics)	-9,850
Manufacturing technology for multifunctional radomes	-2,150
Design/manufacture of low cost engines	-3,000
Advanced Research Projects Agency [ARPA]:	
Experimental evaluation of major innovative technologies [EEMIT]:	
STOVL	-20,014
GGP phase II	-7,500

The Committee further directs that the JAST Program Office consider funding several Navy core avionics tasks in avionics architecture, processors, interconnects, packaging, and advanced situational awareness and crew work reduction technology for a total of \$6,900,000. The House allowance added \$10,000,000 to the Navy's Air Systems and Weapons Advanced Technology Program element for emphasis on accelerating the advanced aircrew situational awareness system and other projects. The House allowance also reduced the same program element by \$14,221,000 to address the JAST-related technologies in this program element.

Other program elements reduced by the House for JAST-related proposes are: Air Force aerospace propulsion subsystems integration, -\$8,000,000; Air Force aerospace propulsion and power technology, -\$10,000,000; and ARPA EEMIT ASTOVL, \$20,014,000.

The Committee also directs that no funds from any Defense Department program element may be obligated or expended for the Airborne Shared Aperture Program, which was denied by the Congress during the fiscal year 1994 budget review, without prior consultation with, and notification to, the Committee.

The Committee directs that the restriction placed on the use of fiscal year 1994 funds for the advanced lightweight aircraft fuselage structure [ALAFS] project shall no longer apply.

#### RDT&E INFRASTRUCTURE REDUCTIONS

The Committee directs that no test and evaluation installation be assessed a disproportionate share of any recommended program element budget reduction.

#### TACTICAL SPACE OPERATIONS

The Committee understands that several components of the Defense Department are considering various research, development, and demonstration activities regarding tactical space systems and tactical space operations. The Committee has been informed that no specific funds have been requested in the defense budget for such efforts.

The Committee directs that no funds available to the Defense Department during fiscal year 1995 from any appropriations account may be reallocated or obligated to support any tactical space operations research, development, or demonstrations without prior consultation with, and notification to, the congressional Defense committees.

#### BALLISTIC MISSILE EARLY WARNING SATELLITE PROGRAMS

The Committee is concerned about the continuing lack of firm direction in the Department of Defense's [DOD] efforts to upgrade and modernize the Nation's ballistic missile early warning satellite capability. To date, the Pentagon has spent billions of dollars on several different programs, yet the operational user is not one step closer to obtaining a new capability. The matter has been reviewed by multiple panels, advisory



boards, and Pentagon committees. Yet, even now, a new Defense Department group has been formed to once again evaluate options and chart a course to develop a new family of early warning satellites.

Based on DOD's experience with the Defense Support Program [DSP], a geosynchronous satellite network has often been the only approach considered for enhancing our early warning capability. Such a network makes it possible for a relatively small number of satellites to observe virtually the entire Earth. The geostationary orbit avoids pointing, tracking, and motion compensation problems inherent in a low-Earth-orbit satellite constellation. However, these satellites are large and expensive, with associated high launch costs.

With each passing year, it becomes more clear that DOD can only afford one early warning satellite system. However, the Defense Department continues to pursue three related projects to develop this new systems: (1) ALARM; (2) ALARM technology demonstrations; and (3) brilliant eyes [BE]. The Alert Locate and Report [ALARM] Program reflects a significant compromise in the capabilities planned for the follow-on early warning system [FEWS], primarily because of cost.

The new study specifically includes an evaluation of the brilliant eyes [BE] distributed satellite system. To some extent, many of the past reviews were flawed because they failed to consider BE or some derivative of brilliant eyes.

A low-Earth-orbit satellite can track missiles with greater precision simply because the satellite and missile are much closer. According to DOD studies, it may be possible to modify brilliant eyes satellites to perform both the early warning and the missile tracking functions necessary to support a national missile defense. While a brilliant eyes-like satellite could be much cheaper, many more of these satellites would be required compared to a DSP-like constellation. Nevertheless, the total system life cycle cost of BE may still be less expensive. BE also raises Anti-Ballistic Missile [ABM] Treaty compliance questions which must be resolved later in its development cycle.

In the end, DOD has been concerned about the risk of a relying on a network of low-Earth-orbit warning satellites. Even the recent DOD space launch study largely neglected the potential effects on the space launch infrastructure of emerging distributed satellite network concepts. Nonetheless, the commercial world appears to be ready to move forward as private funds are being devoted to several new satellite communications networks relying on distributed low-Earth-orbit satellites.

Having considered these and many other aspects of this debate, the Committee has developed the following recommendation which adopt portions of the Pentagon's current early warning strategy while making adjustments that would benefit the Defense Department and the Nation.

As part of the ALARM Program, DOD proposed a technology demonstration effort to fly one or two experiments which would allow evaluation of new sensor technologies. However, the program is underfunded to demonstrate more than one new technology, and its schedules prevent the demonstration experiments from realistically supporting the ALARM Program. Drawing on DOD's concept, the Committee proposes an ALARM Demonstration/Validation Prototyping Program which would lead to a fly-off between competing concepts. The Committee directs DOD to fly two individual satellites, or a similar number of prototype, geosynchronous early warning sensors, and associated hardware aboard existing satellites. In parallel, the Committee directs that the Brilliant Eyes Program be accelerated moderately to permit prototype satellite flight tests on the same schedule as the revised ALARM Dem/Val Program.

It is the expectation of the Committee that these experiments be launched around the fourth quarter of fiscal year 1997, roughly the same schedules previously planned for the technology demonstrations supporting ALARM. Under this plan, DOD could make an informed decision based on the results of all of these prototype system tests. The Defense Department should then be able to proceed with a lower risk Engineering and Manufacturing Development [EMD] Program, with the first satellite being delivered in time to avoid further DSP purchases beyond satellite 23.

To achieve these goals, the Committee has provided \$62,500,000 for the revised ALARM Demonstration/Validation Prototyping Program and \$150,000,000 for the Brilliant Eyes Program. The Committee directs that no more than one-half of these funds may be obligated prior to the Congress receiving a plan outlining the detailed implementation of this Enhanced Competition Development Program. Furthermore, the Committee directs that the full amount appropriated for the ALARM Program may not be obligated until the full amount of funds are obligated for the brilliant eyes prototyping effort. The Committee has provided no funds for duplicative ALARM generic technology development efforts.

Summary table

[In thousands of dollars]

	Committee recommendation
Advanced space-based TW/AA (dem val)	.....
Brilliant eyes	.....
ALARM dem/val prototyping	\$222,50006
Technology demos/quick reaction capability [QRC]	(62,000)
Brilliant eyes	(150,000)
I09 SYSTEM PROGRAM OFFICE/FFRDC SUPPORT	(10,500)

DEFENSE CONVERSION RDT&E PROGRAMS

The Committee continues to reserve judgment about the activities supported within this account, which is widely known as the Technology Reinvestment Program or TRP. Put simply, the Defense Department must receive some benefit from the investment of \$625,000,000. The investments to date raise questions about the military utility of the selected programs. For example, one of the largest TRP awards was to develop a low cost, small rocket booster. The DOD space launch modernization review recently concluded that the United States has too many niche-market boosters.

The TRP Program has come to be described by some as an alligator. That is, many DOD programs were killed to provide the material needs of this large investment program. Service concerns about TRP are certainly justified. Currently, ARPA is holding a focused competition for TRP funds in the areas of high density data storage systems, object technology for rapid software development and deployment, interoperability testbeds for the national information infrastructure, high definition systems manufacturing, low cost electronic packaging, uncooled infrared sensors, and environmental sensors. Many of these areas overlap or match efforts in ARPA's high performance computing [HPC] and intelligent systems and software projects. ARPA's fiscal year 1995 budget request for these projects totals \$337,356,000, a 26-percent real increase over fiscal year 1994. One must question the need to pour even more limited DOD resources into these areas.

The Committee reminds DOD and ARPA officials that, while the word "Defense" has been deleted from ARPA's title, these funds are defense dollars. DOD has an obligation to ensure that the projects supported address bona fide defense needs.

The Committee has denied funds for a separate program in the Navy which mirrors the TRP. The Committee has also denied funds for an Office of the Secretary of Defense pilot program to facilitate the diversification of Federal defense laboratories. Defense officials have indicated that it is possible for these initiatives to take place within the existing funds available for defense research and development.

The Committee has approved the budget request of \$625,000,000 for the Technology Reinvestment Program [TRP]. However, based on concerns previously outlined, the Committee directs that at least one Assistant Secretary for Research, Development, and Acquisition from one of the military services certify that each selected TRP project addresses a military use within the dual use context. Any notifications of TRP awards provided to the Congress should indicate which service official certified the military utility of each TRP project. The Committee has included bill language to implement this direction.

Finally, the Committee directs that \$150,000,000 of TRP funds shall be available only for focused competitions in areas designated exclusively by the Assistant Secretaries for Research, Development, and Acquisition of the military departments. Each service Assistant Secretary shall identify areas of interest for a focused competition and allocate \$50,000,000 among these interest areas. ARPA will administer the focused competition in accordance with the guidance provided by the service acquisition executives. The Committee believes this action will help assure that military needs are an integral part of the TRP Program. The bill recommended by the Committee includes language implementing this direction.

#### RDT&E INFRASTRUCTURE REDUCTIONS AND MANAGEMENT

The Committee has consistently expressed concerns about the size of the Department of Defense's research, development, test, and evaluation infrastructure. The DOD budget has fallen 35 percent since 1985, but only very limited adjustments have been made in the number and size of DOD laboratories and test ranges.

DOD officials note that test ranges and labs represent capital assets which could be irreplaceable once closed. The Committee understands this view. Similarly, test and evaluation officials provide data showing that very little of the DOD budget increases of the early 1980's went to test range modernization.

Thus far, DOD's response to all of these issues has been to continue to make across-the-board reductions at labs and test ranges. Indeed, the recent budget planning decisions mandate a 3- to 4-percent per year reduction in the RDT&E infrastructure. This builds on a 14-percent real decline in RDT&E funds since 1985. During this decline, budgets for the Advanced Research Projects Agency [ARPA] and the Ballistic Missile Defense Organization [BMDO] have grown significantly.

In fact, many look upon ARPA as the model approach for conducting defense research and development activities. However, many might differ on these issues, and there are clearly cases of ARPA-developed technologies which have not transitioned to operational users. Furthermore, ARPA's success is partially attributable to the service laboratories which execute a significant portion of ARPA's programs on a day-to-day basis. Some perceive the service laboratories as costly, level-of-effort activities which are disconnected from the service users. Thus, while some point to ARPA's relative lack of infrastructure, it must be clearly recognized that programs and developments do not materialize from thin air. While there are points to be made on all sides of this matter, most would agree that there is room for improved coordination and planning.

Within the recommendations on the DOD RDT&E budget request, the Committee has taken one small step toward adapting the RDT&E infrastructure to new fiscal and military realities. The Committee has taken a number of ARPA projects and transferred these efforts to the services. Also, a number of service efforts have been transferred to ARPA. The Committee's intent here is that the best practices and technologies at ARPA migrate into the service development community. Likewise, ARPA can become more attuned to the service labs and their responsibilities. Further, with the service labs striving to improve their links with operational users, all parties may gain new perspectives on critical future defense needs.

Unfortunately, the current fiscal environment is not likely to permit growth in the RDT&E accounts. Thus, many larger steps must be taken to plan for the future of defense RDT&E. A strategic plan for managing the drawdown of the Department of Defense RDT&E infrastructure is long overdue. The continued implementation of gradual, across-the-board reductions will only starve facilities and erode capability. DOD must establish priorities and make the difficult decisions which will ensure critical research, development, test, and evaluation skills and facilities are maintained. The Committee directs that, not later than March 31, 1995, the Director, Defense Research and Engineering, submit to the congressional Defense committees a strategic plan describing in detail such recommendations.

#### OZONE DEPLETING SUBSTANCES

The Army, Navy, and Air Force will spend an estimated \$75,000,000 this year to identify alternatives to freon. Meanwhile the commercial sector faces similar challenges and equal or greater urgency than the

Department of Defense in identifying alternatives to ozone depleting substances. Yet, the Committee is not convinced that a coordinated development plan exists. Service specific freon alternates should be the exception and not the rule; however, it is not clear that current research will not lead to a specific, different alternate for each service. Furthermore, there is no indication that DOD is leveraging the private sector investment being made to meet the impending ban on ozone depleting substances.

The Committee directs the Office of the Deputy Undersecretary of Defense for Environmental Security to prepare a report detailing all DOD investments to develop alternates to ozone depleting substances. The report should specify the expenditure to date, the fiscal year 1996 request amount, the total cost to complete development of alternates, and the future cost to implement these solutions in DOD facilities and equipment. The report should describe each project, carefully noting differences and similarities between efforts. Finally, the report should provide a survey of private sector efforts and discuss how those efforts are being considered in meeting the legal requirements of the Defense Department. The Committee requests that this report should be completed and delivered by May 1, 1995.

#### DIGITAL TERRAIN GENERATION

The Defense Department is increasingly adopting simulation as a method of improving planning, development, test, and training efforts of the Pentagon. The Committee recognizes these positive steps. However, the Committee believes the Pentagon must make a determined effort to build a framework for simulation which ensures a degree of commonality between simulation efforts. Furthermore, the Pentagon must consider carefully how simulation is used. Many training activities and design efforts can be enhanced by simulation, but everyone must recognize that our ability to simulate has limits. In the end, there are some tasks which cannot be replaced by anything short of completing flight tests, firing live ammo in a ground exercise, or conducting command level exercises.

The Defense Modeling and Simulation Office [DMSO] can play a key role in addressing these issues and has begun to shift its focus to these concerns. However, DMSO must shift from its past advocacy of simulation to providing users a common framework for simulation tools and a realistic perspective of what simulation can accomplish. The defense budget now includes millions of dollars for simulation exercises. We must ensure that these efforts are not mere stage productions, effectively demonstrating video games on a grand level. For example, we have spent millions of dollars on warbreaker simulation efforts, but it is not clear that there has been a commensurate return on the investment in terms of a precise assessment of the capability of current military systems to attack mobile targets and a definition of the areas requiring future investment.

One area that merits DMSO focus is the development of digital terrain models. Digital terrain and atmospheric models are the foundation for many simulation tools. At this point in time, many ARPA and other projects are independently developing terrain models. However, it seems that in the long term, Defense Mapping Agency [DMA] data should provide the main ingredient for any digital terrain model. Information provided to the Committee indicates that there has been little interchange between DMA and terrain model developers.

DMA is entering a new era where the agency will begin to maintain digital maps accessible online by customers. The simulation community should work with DMA to include digital terrain requirements in DMA's digital data base development plans. Likewise, current modeling efforts should be planning to use DMA maps and data in developing digital terrain. It is not clear to the Committee that these possibilities have been fully exploited. The Committee has made reductions in the budget to slow the pace of digital terrain development efforts. The Committee directs DMSO to ensure that a broadly applicable approach to digital terrain generation is outlined.

#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

Appropriations, 1994	\$5,427,546,000
Budget estimate, 1995	5,260,082,000
House allowance	5,456,498,000

Committee recommendation

5,304,329,000

The Committee recommends an appropriation of \$5,304,329,000 for the Army's research, development, test, and evaluation programs, an increase of \$44,247,000 to the budget request. The recommendation is \$152,169,000 below the House allowance.

The budget activities and programs funded under this appropriation are discussed below.

#### COMMITTEE RECOMMENDED ADJUSTMENTS

Defense research sciences.-In addition to the adjustment to this program element discussed in the "Principal committee observations" section of this report, the Committee adds \$250,000 only to continue nutrition research efforts funded in previous years. Also, the Committee adds \$425,000 and directs that these funds shall be made available only to continue the research on the clinical effect of monosaturated fats on serum cholesterol levels. The experiments to be completed will provide data with important implications for the energy-health balance for armed services and civilian populations.

Environmental quality technology.-The Committee recommends \$31,287,000, an increase of \$5,400,000 over the budget request and an amount \$9,600,000 below the House allowance.

The Committee reiterates its interest in commercialization of agricultural-industrial products and services of interest to the Department of Defense. The Committee supports the commercialization of dual-use products that add value to renewable resources and commercialization of dual-use services, such as bioremediation, that benefit military and civilian populations. The Committee provides an increase of \$5,400,000 and directs that these funds are available only for the Agribusiness Development Corporation in Hawaii. These funds are to proceed with the efforts begun in fiscal year 1993 and should be administered in the same manner.

Medical technology.-Under this program, the Army pursues a broad range of medical exploratory development concepts to provide combat, preventive, and long-term care for troops. The Committee provides \$95,279,000, increasing the budget request by \$7,750,000. The House allowance is \$6,250,000 below the Senate allowance.

Of the additional funds, the Committee directs that \$1,000,000 shall be made available only to continue a project devoted to developing a vaccine for dengue fever. The Committee further provides \$750,000 and directs that these funds shall be used only for ongoing nutrition research funded in previous years.

The Committee has also provided \$1,000,000 only for the Department of Defense to study epidermolysis bullosa [EB]. This study will significantly facilitate research to counteract conditions impairing combat readiness.

Finally, the recommended increase includes \$5,000,000 only available for the development of tissue substitutes composed of biocompatible, nonimmunogenic, endogenous, elastin-based biologic molecules which can be repolymerized and injection molded into thermally stable vascular conduits, patches, or other tissues that can be rehydrated from field packaging. The developed product must meet suitable shelf life requirements, provide the capability to contain controlled release pharmacologic agents, and offer immediate availability to the battlefield surgeon for rapid deployment through dye targeted laser-tissue fusion for instant wound healing and sealing.

Medical advanced technology.-The Army uses the funds sought in this program to pursue exploratory development efforts on vaccines and treatment procedures to counter diseases, chemical agents, and biological threats. The Committee provides \$143,028,000, an increase of \$102,000,000 to the budget request and a reduction of \$115,000,000 compared to the House level. The following adjustments detail the Committee's recommendation.

First, the Committee approves \$40,000,000 to continue the Defense Women's Health Program.

Second, the Committee provides \$2,000,000 only to continue prostate cancer research efforts.

Third, the Committee also directs that \$750,000 shall be available only to support ongoing nutrition research programs.

Finally, the Committee provides \$60,000,000 to continue the Breast Cancer Research Program. When combined with the fiscal year 1994 funds, the Committee's appropriation provides a modest increase over the fiscal year 1994 program and allows the Army to fund all recommended proposals from the fiscal year 1993 competition. The Committee directs the Secretary of Defense to ensure the immediate release of all fiscal year 1994 funds appropriated for breast cancer research. The Committee directs that all awards under the Breast Cancer Program continue to be made through the existing peer review process.

This appropriation is to be used to continue and initiate new breast cancer research under a solicitation developed by the Department of the Army in conjunction with a Breast Cancer Research Program integration panel, similar to the fiscal year 1993 panel process. The Committee urges the Army and the panels to solicit research proposals in the Institute of Medicine [IOM] strategy that were not well represented in the fiscal year 1993 DOD program.

The Committee notes the progress made in the area of breast cancer screening by Tripler Army Medical Center, working in conjunction with a major medical research institution. The Committee directs that full consideration be given to the capabilities and programs of Tripler within any funds allocated to development of breast cancer screening technologies and procedures.

Aviation advanced technology.-The Committee recommends \$49,913,000, a reduction of \$1,437,000 from the budget request for this program element, which funds development of advanced capabilities for Army helicopters. The recommendation defers the new start proposal to establish a National Rotorcraft Center in view of the need to reduce the Defense Department's infrastructure.

Among other activities, this program element funds the rotorcraft pilot's associate [RPA] project to develop advanced cockpit and improved targeting and information-handover systems. The Committee commends the Army's science and technology leadership for responding to the Committee's previous concerns about uncertain prospects for insertion of RPA technologies into future airframes. These prospects have improved, and the Committee encourages the Army to continue such efforts so that RPA definitely will yield increased combat capability in the future.

The House allowance added \$3,000,000 to this program element.

Command, control, communications advanced technology.-The Committee agrees with the House recommendation to provide the budget request for this program element.

Last year, the Committees on Appropriations required the Army not to allocate any funds in this or any other program element for the Army Space Technology and Research Office [ASTRO] without prior consultation with, and notification to, the Committees. The Army had not included any funds for ASTRO in its budget request.

According to an Army audit agency report, the Army clearly violated this direction. The audit agency has recommended several changes to Army procedures to prevent future violations of congressional guidance.

The Committee appreciates the efforts by the new Assistant Secretary of the Army for Financial Management and by the Army Budget Liaison Office to respond to this matter. The Committee urges the Army to submit as soon as possible a report outlining the specific actions which will be taken to prevent such future infractions, including how the Army will respond to the specific audit agency recommendations.

The Committee also understands that, with the exception of \$247,000 for salaries, planning, and evaluation of data extraction techniques, the fiscal year 1995 budget request contains no funding for ASTRO-

now called the Space Applications Technology Program [SATP]. The Committee believes this is a clear statement of SATP's low priority, despite estimates that \$3,965,000 would be needed to continue any previous ASTRO projects.

Accordingly, the Committee directs that the Army not allocate any funds in this or any other program element in addition to the requested \$247,000-for the SATP without prior consultation with, and notification to, the Committees.

Acquired immune deficiency syndrome [AIDS] research.-The Committee adds \$30,225,000 to continue the Army's efforts to characterize all strains of the AIDS virus, to develop and test vaccines, and to define prevention measures. The proposed funding of \$33,410,000 continues this program at the fiscal year 1994 level. The House allowance is \$10,225,000 below the Senate recommendation.

Artillery propellant development.-The Committee strongly supports the development of the advanced field artillery system [AFAS] as the vital leap ahead in artillery technology needed to meet the 21st century threat. Further, the Committee fully understands that the XM46 liquid propellant [LP] is the propellant of choice for the AFAS Program. The Committee, however, provides \$25,937,000, an increase of \$17,800,000 above the budget request, to continue the engineering development of the XM297 cannon as a potential backup for the AFAS regenerative liquid propellant gun [RLPG], to continue the XM-194 bolt-in/bolt-out mount for the M-109A6 paladin and type classify the XM230 for the 39 caliber cannon.

The additional funds will enable continued development, leading to type classification, on a time scale consistent with the AFAS Program and will provide a backup armament suite should the preferred liquid propellant not succeed. The Committee expects the Army to conclusively demonstrate the ability to weaponize the liquid propellant armament prior to the elimination of unicharge as a cannon propulsion alternative for AFAS.

Engineer mobility equipment advanced development.-The budget request includes \$11,339,000 for engineer mobility equipment advanced development in fiscal year 1995. The Committee recommends providing \$15,929,000, an increase of \$4,590,000 over the budget request.

The Army has informed the Committee that a mid-1993 redesign to address significant weight growth and underestimation of the total number of drawings for the Breacher Program has caused up to a year delay in the program. In order for the Army to take the necessary corrective actions, they have asked Congress to transfer the \$4,590,000 budget for engineering and manufacturing development (program element 64649) to the Breacher's advanced development line (program element 63649). The Committee directs this transfer and further directs that the Army formally notify the Defense committees of any further delays in this program and prohibits the movement of any funds into or out of this program without congressional approval.

Aviation-advanced development.-The Committee recommends \$11,367,000, an increase of \$2,000,000 to the budget request for this program element. The funds are added to enable the Army Joint Program Office for Advanced Boresight Equipment [ABE] to allocate \$1,000,000 each to support accelerated Navy and Air Force qualification efforts and system testing. The Committee directs the Joint Program Office to undertake this effort should the report required in the next paragraph indicate the ABE Program will continue.

The Committee supports the ABE Program. However, the Army has indicated that, as the original sponsor and lead service, it may suspend the program at the completion of the current demonstration/validation phase. The Committee directs that none of the \$3,832,000 allocated for ABE, including the \$1,832,000 budget request, may be obligated until the Army submits a detailed report not later than December 31, 1994, on the status and futures plans for the program. Should the Army decide against continuing the program, the Committee directs that none of the funds may be reallocated for other purposes without prior consultation with, and notification to, the Committee.

The House allowance provides \$15,867,000 for this program element; that allocation includes an increase of \$1,000,000 for the advanced boresight equipment activity.

Comanche/Longbow-engineering development.-The Committee agrees with the House recommendation to fully fund the budget request for the Army to continue development of the new Comanche light armed scout helicopter and the advanced Longbow fire control radar/Hellfire missile system for the Apache heavy attack helicopter. However, to implement the Committee direction about rationalizing the Army's helicopter production base, the Committee further directs that \$20,000,000 each in the Comanche and Longbow Program elements shall be made available only to develop plans and obtain technical data packages for such a consolidation.

Logistics and engineer equipment-advance development.-The Committee provides \$11,581,000 for these activities in fiscal year 1995, an increase of \$6,000,000 over the budget request. Of the additional funds, \$2,000,000 is provided only for the evaluation of operational concepts, emplacement techniques, and foreign technologies to provide a basis for a potential medium assault bridge program and \$4,000,000 only for the continuation of a two phase program for structural integrity research using advanced laser systems. These funds are to be made available to the Army's Fort Belvoir Research, Development, and Evaluation Center to execute this two phased program.

Air defense turret study.-Two years ago, the Committee directed the Secretary of the Army to conduct a study of possible air defense turrets for the Bradley Fighting Vehicle. The Army has designed a detailed review of turret candidates that will include virtual prototype simulations. The Committee commends the Army for moving forward with this analysis but is concerned that the final report will not include a cost analysis of the operational effectiveness for each turret. The Committee directs the Army to include a cost analysis in the study by reprogramming up to \$1,000,000 from other air defense accounts.

Tri-Service standoff attack missile.-The Army's fiscal year 1995 budget request includes \$82,458,000 for Tri-Service standoff attack missile [TSSAM] termination liabilities. The Committee recommends providing \$19,671,000 for these activities in fiscal year 1995, a reduction of \$62,787,000 from the budget request.

The General Accounting Office has reported to the Committee that in November 1993, the Army estimated TSSAM termination costs to be approximately \$126,000,000, which the Army planned to fund in fiscal years 1994 through 1996. However, in May 1994, the project manager revised the termination cost estimate to \$62,200,000. Since the Army has already released approximately \$43,000,000 of the funds appropriated in fiscal year 1994, the General Accounting Office estimates that only \$19,671,000 will be needed in fiscal year 1995.

All source analysis system.-The Committee has provided the amount requested within the Army's budget request, \$42,891,000, for the all source analysis system [ASAS] program. The Committee recommendation is \$7,000,000 above the House allowance for this program element in fiscal year 1995. Within the amount provided, the Committee expects the Department to begin an upgrade of the Army's ASAS techbase parallel hypercube computers, and necessary commercial off-the-shelf relational data base software.

Armored systems modernization [ASM]-engineering development.-The budget request includes \$51,097,000 for the continued engineering development activities for the armored gun system [AGS] and the advanced field artillery system multioption fuze for artillery programs. The Committee recommends providing \$63,097,000, an increase of \$12,000,000 only to refurbish six preproduction AGS vehicles and for spare and repair parts to support the refurbished vehicles in during live fire testing and initial operational test and evaluation [IOT&E].

The Armored Gun System [AGS] Program has been restructured in response to congressional and Office of the Secretary of Defense concerns. Live fire testing and IOT&E have been accelerated 1 year and will occur in fiscal year 1996. Further, low rate initial production [LRIP] has been reduced from 3 years (69 vehicles) to 1 year (26 vehicles). The Army has determined that the fabrication of preproduction prototypes is representative of the production process. By performing the live fire testing and IOT&E on these refurbished preproduction vehicles, all program concurrency is virtually eliminated.



Sense and destroy armament missile.-As discussed in the "Missile procurement, Army" section of this report, the Committee recommends providing \$42,000,000 for the continued development and testing of the 155mm SADARM projectile.

Management headquarters (research and development).-The Committee recommends \$23,679,000, an increase of \$12,000,000 over the budget request and an equal amount above the House allowance. The Committee directs that the additional funds shall be available only to continue the Akamai health project. This program offers the opportunity to dramatically improve the accessibility of specialized medical care from remote military installations and to decrease the cost of providing medical care.

Manufacturing technology.-The Committee approves \$29,420,000, an amount \$15,580,000 below the House recommendation. The Army did not seek any funds for manufacturing technology projects. However, \$19,420,000 was sought in a Defensewide Program element for efforts concentrating on Army needs. The Committee has transferred these funds and provided an additional \$10,000,000 to support projects which were to be deferred under the budgeted level of funding.

Los Alamos meson physics facility [LAMPF]/Los Alamos neutron scattering center [LANSCE].-The Committee adds \$20,000,000 to the budget request to provide the last year of direct Defense Department funding to support an upgrade to the accelerator at this facility. LAMPF/LANSCE is a central component of the Department of Energy's Nuclear Weapons Stockpile Stewardship Program.

The Committee directs that none of these funds may be obligated until the Secretary of the Army certifies to the congressional defense committees that the Energy Department budget plan for fiscal year 1996 and the future contains full funding for LAMPF/LANSCE operations. Without a guarantee of future financial commitment by the Energy Department, the Committee believes that little value will be gained from further investment in the accelerator upgrade.

The House allowance did not include funds for LAMPF/LANSCE.

DOD high-energy laser test facility [HELSTF].-This program element supports the operations of the Defense Department's only high-energy laser system test facility. The Committee approves \$20,000,000 as an increase to the budget request to maintain HELSTF funding at the fiscal year 1994 level. The House allowance added \$24,808,000 for HELSTF.

The Defense Department recently informed the Congress that no experiments had been identified for HELSTF for fiscal year 1995 and that it was continuing to assess the facility's role in any future plans for development of high energy laser technologies. The Committee directs the Department to submit a detailed report on this assessment no later than April 1, 1995.

The Committee's recommendation for fiscal year 1995 is intended to provide for the basic operations and support of HELSTF and is not intended to provide funds for any armed service to undertake a tactical high-energy laser program. The Committee directs that, should the Department wish to allocate funds for such a program in fiscal year 1995, it must consult with, and notify, the congressional defense committees at least 45 days before any proposed obligation of funds.

Any notification about a tactical laser program must include a certification from the Under Secretary of Defense for Acquisition and Technology that ongoing nonlaser programs are inadequate to counter the likely threats, and that the proposed program is fully funded in the fiscal years 1996-2001 Future Years Defense Program. Should the program include any other nation, the certification also must provide a copy of the signed memorandum of agreement with that nation and must identify that nation's direct financial contributions to the program.

Major test and evaluation investment/Army technical test instrumentation/maintenance and repair, RDT&E.-The first two program elements listed in this entry provide the equipment needed to improve the test and evaluation of Army systems under development. The Maintenance and Repair Program element fund the real property maintenance and repair activities of Army RDT&E facilities. The Committee recommends a

reduction of \$23,000,000 to the budget request and an equal amount below the House allowance. The funding is denied for these programs to moderate the requested levels of growth, which ranged from 50 to 92 percent. Additionally, the Committee believes that expenditures for the test and evaluation infrastructure should be moderated in view of the Pentagon's plans to reduce the infrastructure and of future base closure and realignment decisions. The proposed reductions are: (1) major test and evaluation investment-\$5,000,000; (2) Army technical test instrumentation-\$8,000,000; and (3) maintenance and repair, RDT&E-\$10,000,000.

Project plowshares.-The Committee provides \$5,000,000 to initiate an effort to explore the application of Defense Department simulation tools to the task of train disaster relief personnel. The Senate previously approved this project; however, neither the budget request nor the House recommendation included funds for this program.

Aircraft modifications/product improvement programs.-The Committee recommends \$5,040,000, a reduction of \$4,524,000 and the same amount below the House allowance for this program element. This adjustment is addressed in the classified annex to this report.

Kinetic energy ASAT.-The Committee has previously supported funds to continue the only defense Kinetic Energy Antisatellite Technology Program. The Committee notes that \$10,000,000 was included for this initiative in the Senate version of the National Defense Authorization Act for Fiscal Year 1995. The Committee urges the Army, from within the total funds recommended for appropriation for Army research, development, test, and evaluation for fiscal year 1995, to continue critical development work consistent with the Senate authorization action.

#### OTHER ADJUSTMENTS

Authorization adjustments.-The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Materials technology	11,083	21,083	15,083	+4,000	-6,000
Modeling and simulation	51,517	32,517	54,517	+3,000	+22,000
Chemical smoke and equipment defeating technology	29,657	42,157	18,957	-10,700	-22,500
Joint Service Small Arms Program	5,326	5,326	5,826	+500	+500
Missile and rocket advanced technology	94,602	62,824	98,502	+3,900	+35,678
Joint Service Small Arms Program	5,746	5,746	7,246	+1,500	+1,500
Javelin	31,337	31,337	34,737	+3,400	+3,400
Light tactical wheeled vehicle	3,479			-3,479	
Tractor bat	109,011	109,011	119,111	+10,100	+10,000
Weapons and munitions-engineering development	9,130	18,930	6,530	-2,600	-16,330
Missile Air Defense Product Improvement Program	24,610	29,610	29,610	+5,000	
Other Missile Product Improvement Program	74,380	78,380	64,280	-10,100	-14,100
Joint Biological Defense Program	52,895	52,895		-52,895	-52,895

Civilian understrength	-35,000	-48,400	-48,400	-13,400
Federal Workforce Restructuring Act		2,500	+2,500	+2,500

#### HOUSE ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Electromechanics and hypervelocity physics	5,050	8,700	5,050		-3,650
Combat vehicle and automotive technology	28,330	34,330	28,330		-6,000
Logistics technology	31,825	35,325	31,825		-3,500
Logistics advanced technology	14,386	15,386	14,386		-1,000
Weapons and munitions technology	28,163	38,163	28,163		-10,000
Weapons and munitions advanced technology	25,562	32,562	25,562		-7,000
Combat vehicle and automotive advanced technology	59,414	62,414	59,414		-3,000
Tractor rose	3,240	6,440	3,240		-3,200
Landmine warfare and barrier advanced technology	11,950	21,950	11,950		-10,000
Advanced tactical computer science and technology	34,995	39,995	34,995		-5,000
Advanced tank armament system [ATAS]	10,075		10,075		+10,075
Distributed interactive simulation-advanced development	11,787	6,000	11,787		+5,787
Tactical electronic surveillance system-advanced development	15,008	10,008	15,008		+5,000
Weapons and munitions-advanced development	663	1,263	663		-600
NBC defense system-advanced development	13,778	22,078	13,778		-8,300
EW development	89,122	93,122	89,122		-4,000
Air defense command, control, and intelligence-engineering development	26,494	28,494	26,494		-2,000
Automatic test equipment development	7,201	15,701	7,201		-8,500
Distributed interactive simulation-engineering development	8,041	4,000	8,041		+4,041
Logistics and engineering equipment-engineering development	21,171	22,271	21,171		-1,100
NBC defense system-engineering development	13,474	48,274	13,474		-34,800
MRLS Product Improvement Program	55,699	58,699	55,699		-3,000
Combat Vehicle Improvement Program	111,279	131,779	111,279		-20,500
Digitization	75,857	115,857	75,857		-40,000
SATCOM ground environment	95,191		95,191		+95,191
Electronic survivability and fusing technology	26,036	29,036	26,036		-3,000
Laser weapons technology		4,000			-4,000
Electronics and electronic devices	21,222	23,222	21,222		-2,000
Engineer mobility equipment development	16,865	12,271	16,865		+4,594

Programwide activities	103,262	102,044	103,262	+1,218
Environmental compliance	49,907	51,907	49,907	-2,000
Classified programs	20,858	29,358	20,858	-8,500
Civilian personnel pay raise and locality pay		17,400		-17,400
General reduction, university research		-68,000		+68,000

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#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

Appropriations, 1994	\$8,365,786,000
Budget estimate, 1995	8,934,718,000
House allowance	8,598,958,000
Committee recommendation	8,790,331,000

The Committee recommends an appropriation of \$8,790,331,000 for the Navy's research, development, test, and evaluation programs, a decrease of \$144,387,000 to the budget request. The recommendation is \$191,373,000 above the House allowance.

The budget activities and programs funded under this appropriation are discussed below.

#### COMMITTEE RECOMMENDED ADJUSTMENTS

Surface ship technology.-The Committee recommends \$22,684,000, an increase of \$2,800,000 to the budget request and the same amount as the House allowance for this program element. Funds are added to support the second phase of the air circuit breaker standardization project.

Readiness, training, and environmental quality technology.-The Committee provides \$50,453,000, an addition of \$7,700,000 to the budget request and an amount which is \$300,000 below the House allocation for this program element. The Committee directs that \$5,000,000 of the additional funds shall be made available only to continue work at the Marine and Environmental Research and Training Station which the Committee supported last year. These funds will be used for phase II of this critical component of the Defense Department's environmental security and stewardship programs.

Another \$2,700,000 is made available only to pursue final testing, integration, and certification of a crash resistant, nondevelopmental item troop seat in CH-53 helicopters.

Materials, electronics, and computer technology.-The Committee recommends \$78,784,000, a reduction of \$2,083,000 to the budget request. The Committee notes that previous research under this program element to develop manufacturing and processing technologies for very high modulus, high thermal conductivity graphite fibers has yielded impressive results regarding their potential for removing heat from electronic devices. The weight-saving attributes of such fibers also are noteworthy. The Committee urges the Navy to continue this highly promising research effort.

Another development effort in this program element is the hybrid signal (wavelet, fuzzy logic, and artificial neural network) processing. This effort, budgeted at \$2,083,000, is transferred to ARPA as part of the Committee's initiative to foster cooperation between the services and ARPA, as discussed in the "Principal committee observations" section of this report.

Mine countermeasures, mining, and special warfare.-The Committee agrees with the House recommendation to approve \$37,710,000, an increase of \$3,000,000 to the budget request, for this program element. This increase is provided specifically for the rapid airborne mine clearance system [RAMICS] project. The Committee understands that fiscal year 1995 would be the final year of the proof of concept phase for RAMICS. Should this phase be completed successfully, the Committee urges the Navy to consider

including funds in the fiscal years 1996-2001 Future Years Defense Program for a follow-on advanced technology demonstration.

Navy Reinvestment Program elements.-The Committee denies the \$50,000,000 requested by the Navy for these program elements as explained in the defense conversion RDT&E programs discussion in the "Principal committee observations" section.

Submarine technology.-This program element develops advanced technologies for high performance submarines. The Committee provides \$14,557,000, a reduction of \$5,000,000 from the budget request. Funding is denied for the development work that is primarily for future preplanned product improvements for the yet to be designed new attack submarine. These efforts are unjustifiably premature. The House allowance did not adjust this program element.

Air systems and weapons advanced technology.-The Committee approves \$7,881,000, a reduction of \$22,412,000 for this program element. The Committee denies two new start projects: (1) \$6,000,000 for strapdown seeker technology for guided projectiles; and (2) \$2,691,000 for advanced airframe/structures for advanced short-range missiles.

The first project is premature until the Army and Navy reconcile their ongoing separate activities in this area, eliminate duplication, and establish a joint precision guided munitions program for advanced projectiles. The second project is unnecessary since the Navy and Air Force already have begun a costly development program for a new AIM-9X advanced short range air-to-air missile. The baseline airframes for AIM-9X already are established and developed.

The Committee's other modifications to this program element are related to the Joint Advanced Strike Technology [JAST] Program and are discussed in the "Principal committee observations" section of this report.

The House allowance recommended \$33,572,000 for this program element.

Sea control and littoral warfare technology demonstration.-This program element funds advanced technology demonstrations in mine warfare, surveillance, and submarine warfare. The Committee recommends \$74,533,000, a reduction of \$7,601,000 to the budget request. The recommendation denies a new start project to demonstrate a lightweight variable depth sonar.

Initiation of this project, which could cost more than \$70,000,000, is unjustified in view of already ongoing efforts to improve the shallow water capabilities of the sonar and shipboard systems of surface combatants.

The House allowance decreased this program element by \$20,000,000.

Advanced technology transition.-This program element also funds many Navy-sponsored advanced technology demonstrations [ATD]. In general, these Navy ATD's do not embody the problems associated with the efforts sponsored by the Office of the Secretary of Defense. The recommendation includes \$66,633,000, a decrease of \$13,230,000 to the budget request.

The Committee recommends one JAST-related reduction and two other modifications. First, \$4,500,000 is denied for a new start, long endurance unmanned underwater vehicle propulsion project which duplicates work by the Advanced Research Projects Agency [ARPA]. Second, \$4,500,000 is denied for a new start, shallow water torpedo guidance and control project.

This latter effort is not integrated with the programs already planned or underway to improve the shallow water guidance and control capabilities of the existing Mark-48 heavyweight torpedo and Mark-50 lightweight torpedo. It also does not contribute directly to the major initiative to develop a new lightweight hybrid torpedo.

The utility of the proposed algorithm development also cannot be determined since the cost-and-operational effectiveness analyses for the Mark-50 upgrade and lightweight hybrid are not finished.

The Committee directs that within the ATD line, \$3,300,000 (the budget request) is available only for the advanced antisubmarine warfare receiver advanced technology demonstration.

The House allowance included \$87,363,000 for this program element.

Tactical airborne reconnaissance.-The Committee recommends \$39,772,000, a reduction of \$19,600,000 to the budget request and an equal amount below the House allowance, for this program element to develop capabilities for the F-18 aircraft to conduct tactical reconnaissance.

Since submission of the budget request, the Navy and Marine Corps have modified their previous program priorities and no longer support development of the electro-optical long-range oblique photography system [EO-LOROPS] in their future budget plan. The recommendation eliminates \$12,100,000 originally requested for EO-LOROPS for fiscal year 1995. Also deleted is \$7,500,000 which can be replaced by an equal amount of fiscal year 1994 funds no longer needed for the EO-LOROPS project.

Surface and shallow water mine countermeasures.-The Committee approves \$42,254,000, a reduction of \$9,625,000 to the budget request and the same amount below the House allowance, for this program element which supports development of advanced mine hunting and mine neutralization capabilities.

First, the recommendation deletes \$3,886,000 to terminate the Swedish-American Minesweeper II [SAM II] project. This \$51,686,000 effort no longer is a high priority now that the Marine Corps intends to use a variant of the landing craft, air cushion [LCAC] for remote and manned mine sweeping in the near term.

Second, \$4,950,000 is denied for the Navy's contribution to low-priority, long-term research into unmanned underwater vehicles by the Advanced Research Projects Agency.

Third, \$789,000 is eliminated from the near-term mine reconnaissance system [NMRS] project since an equal amount of excess fiscal year 1994 funds are available.

The Committee compliments the Navy and Office of the Secretary of Defense for responding to its concerns by creating a more realistic and prioritized UUV master plan. The Committee does, however, urge both organizations to further reduce the amount of development concurrency among the NMRS demonstration, the NMRS prototype, and the long-term mine reconnaissance system project.

Surface ship torpedo defense.-This program element funds development of a sensor system and antitorpedo torpedo to defend surface ships against attack. The original fiscal year 1995 budget request included funds for a joint program with the United Kingdom. A United States-only effort, known as the National Program, did not require RDT&E after fiscal year 1994.

Since submission of the budget request, the Navy and the General Accounting Office have reported that the national program failed its operational evaluation tests. The Navy now is considering combining the most effective components of both the joint and national programs into a restructured effort.

In creating a revised program, the Navy has reported that the \$9,300,000 originally sought for antitorpedo torpedo development in fiscal year 1995 is excess to requirements. The Committee recommends \$20,947,000 to reflect such a decrease, and directs that not more than one-half of the remaining funds may be obligated until the Assistant Secretary of the Navy for Research, Development, and Acquisition reports to the congressional defense committees as to the costs, schedule, and technical risks of a restructured program. The Committee directs that this report be submitted no later than February 1, 1995.

The House allowance approved the original budget request.

Carrier systems development.-The Committee approves \$15,378,000, a reduction of \$500,000 to the budget request and the same amount below the budget request, for this program element. The action deletes \$2,000,000 sought for a new start project for future aircraft carrier technologies research and development. This 5-year project, for which the Navy has allocated \$10,000,000, is too late and too modest to produce useful results for CVN-76, the next carrier to be constructed.

The Committee also adds \$1,500,000 to this program element to support development of the electromagnetic aircraft launch system [EMALS], including demonstrating a full-scale, pulse power source. The Committee understands that this increase is a one-time requirement.

Advanced surface machinery systems.-This program element supports development of improved machinery, power systems, and equipment controls for surface ships. The Committee allocates \$80,755,000, an increase of \$8,400,000 to the budget request, for this program element. Of the increase, \$7,400,000 is provided to accelerate development of the intercooled recuperated [ICR] gas turbine engine and facilitate land-based testing at the Naval Surface Warfare Center/Philadelphia. Another \$1,000,000 is added for development of new ship water intake grates.

The House allowance added the funds for the ICR project.

Nonacoustic antisubmarine warfare.-The Committee agrees with the House recommendation to transfer the \$4,756,000 sought by the Navy in this program element to the independent program funded by the Office of the Secretary of Defense in the Advanced Sensor Applications Program element.

Environmental protection.-The Committee allocates \$49,811,000, a reduction to the budget request of \$1,290,000 and an equal amount below the House recommendation. The Committee directs that \$1,800,000 of the available funds be used only to complete a pilot program to explore the possibility of using an onboard plasma electric waste converter to dispose of waste.

The Committee deletes \$1,290,000 sought for ordnance reclamation. After several years of expenditures, the DOD continues to defer a commitment to actually implement reclamation technologies. Under the "RDT&E, defensewide" section of this report, the Committee has requested a review of the Pentagon's requirements to allow the Congress to evaluate the need for further investment in rocket motor and ordnance disposal technologies.

Navy Energy Program.-Projects in this program element support Navy efforts to reduce energy consumption and develop cost-saving alternatives to meet the Navy's daily energy requirements. The Committee approves \$9,168,000, providing an increase of \$4,700,000 compared to the House allowance and the budget request.

The Committee directs that the additional funds shall be used only to continue testing intended to support a broadening of Navy fuel specifications to include commercially available marine fuels. Revising the specification will allow the Navy to purchase less costly commercial fuels. In addition, as much as one-half or more of the Navy's total fuel costs reflects the expense of transporting the fuel using oilers and tankers. The wide availability of commercial fuels will allow the Navy to reduce its fuel delivery costs. The Navy has indicated that over \$100,000,000 per year could be saved by permitting the use of commercially available fuels. Given the potential savings, the Committee directs the Navy to budget the outyear funds necessary to complete this effort and to make a determination as soon as possible on revising the fuel specification.

Gun weapon system technology.-This program element supports development of advanced gun, munitions, and missile technologies to improve naval surface fire support capabilities. The Committee recommends \$13,349,000, a decrease of \$11,500,000 to the budget request. The recommendation eliminates \$8,500,000 due to a 6- to 12-month delay in program execution and \$3,000,000 for a missile demonstration which the Navy has reported is premature in fiscal year 1995.

The Committee observes that this program remains in a state of flux, with plans being restructured, inventory requirements undetermined, and outyear funding uncertain. The outline for a joint program with the

Army to develop precision guided projectile munitions has yet to emerge. Therefore, the Committee directs that no funds may be obligated for efforts to develop precision guided munitions or a new 155mm gun until after the Navy consults with, and notifies, the congressional defense committees.

The Committee directs that none of the reduction shall be assessed against funds to support in-house activities at the Naval Surface Warfare Center, ordnance station, Louisville, KY.

The House allowance approved \$30,849,000 for this program element.

ASW and other helicopter development.-The Committee approves \$77,153,000, a reduction of \$9,394,000 to the budget request and an amount which is \$20,394,000 below the House allowance, for this program element. This program element funds development of advanced capabilities for Navy and Marine Corps attack, mine warfare, antisubmarine, and utility helicopters.

The recommendation eliminates \$4,394,000 from the proposal to begin a midlife upgrade for the CH/MH-53 helicopter. Program plans and detailed justifications have yet to be developed for use of these funds. Total costs are unknown. The Committee directs that the \$2,000,000 it is providing for this project shall be used only for in-house efforts to develop these plans and that they do not represent approval of the proposed, new start program. The Committee will reserve judgment as to the need for this upgrade and will examine it closely during the next budget review cycle.

Also deleted are \$5,000,000 identified by the Navy as no longer required to fund fiscal year 1995 activities for the AH-1W attack helicopter integrated weapon system project.

Electronic warfare development.-This program element funds several projects to upgrade the electronic combat capabilities of Navy aircraft and ships. The Committee recommends \$104,980,000, an increase of \$25,000,000 to the budget request and the same amount above the House allowance. The additional funds are provided to support Navy efforts to acquire an improved support jammer capability to replace the now-terminated, EA-6B advanced capability [ADVCAP] project.

The Committee directs that none of these funds may be obligated before the Under Secretary of Defense (acquisition and technology) submits to the congressional defense committees a detailed plan for replacing the ADVCAP project. This plan shall present a comparison of options considered, including schedules, military objectives, annual and total costs, technical risks, an independent cost assessment, and a statement of how the selected option relates to the results of the ongoing joint tactical aircraft electronic warfare study. The Department is directed to fully fund the acquisition of the selected option in the fiscal years 1996-2001 Future Years Defense Program.

This program element also contains funds for the advanced special receiver (ASR/ALR-67(V)3) project. The Committee is concerned that the Navy is proceeding with a high-risk acquisition plan for the ASR. Thus, the Under Secretary of Defense (acquisition and technology) is directed to submit to the congressional defense committees a report whether the acquisition plan should be revised. This report, which is due no later than April 1, 1995, should address whether additional rigorous testing of existing ASR systems is needed before obligation of funds for the acquisition of long-lead procurement components.

To reflect these concerns, the Committee also recommends a general provision which establishes certain certification and reporting requirements which must be met before funds may be obligated for ASR low-rate initial production.

Finally, the Committee directs that the \$4,000,000 sought for the direction of arrival improvement project may only be used as justified by the Navy-for funding a joint cost and operational effectiveness analysis with the Air Force and for development of acquisition documentation, specifications, and a statement of work.

Provision of these funds does not constitute approval of initiation of this new start project, and the Navy is directed not to enter into any contracts to begin actual development during fiscal year 1995.



Tri-service standoff attack missile [TSSAM].-This program element funds the Navy role in development of a family of highly survivable, conventional, stealthy cruise missiles which can be launched by aircraft well away from adversary air defenses. In the past, the program has enjoyed strong support from the operational commanders-in-chief.

The Committee recommends \$116,662,000, an addition of \$50,000,000 to the budget request. These funds are necessary for any Navy efforts to support the Air Force's proposal to restructure the program to reduce technical risks and production transition uncertainties. The House allowance denied all funds for continued TSSAM development.

Standard missile improvements.-This program element funds activities to develop improvements and modifications to the standard missile-2 [SM-2] family of air defense missiles. The Committee recommends \$17,811,000, an increase of \$6,000,000 to the budget request and the same amount above the House allowance. The additional funds shall be made available only to begin a relatively low-cost development project to modify excess Terrier missiles to meet the Navy requirement for supersonic sea skimming targets [SSST] and tactical ballistic missile targets. These targets are essential to permit the Navy to conduct realistic operational training and RDT&E for advanced defenses against antiship cruise missiles and tactical ballistic missiles.

The Committee also has recommended an increase to the Navy's "Other procurement" appropriations account as part of this initiative. The other procurement funds are required to obtain and install an excess Terrier Mark-10 missile launcher which would be used as part of the Targets Development Program and for later RDT&E and operational training for cruise missile/ballistic missile defenses.

The Committee directs that the accomplishment of this Terrier targets project, including the installation of the Mark-10 launcher, should be in compliance with all the appropriate State and Federal environmental protection regulations and statutes.

Unguided conventional air-launched weapons (air-to-surface munitions).-The Committee provides \$77,102,000, the budget request and the same amount as the House allowance, for this program element. This program element funds development of the standoff land attack missile-expanded-response [SLAM-ER]. The Committee has been informed that the Navy is considering a major program restructure, which would develop a less costly, less ambitious SLAM-plus upgrade instead of the current SLAM-ER variant proposed in the original budget request. Accordingly, the Committee directs that not more than one-half of the funds provided for SLAM-ER may be obligated before the Committee receives a full report from the Navy on any revised plans for the SLAM missile, including the costs, schedule, technical risks, and military objectives of any revised SLAM upgrade program.

Joint standoff weapon systems [JSOW].-The Committee approves \$126,127,000, an increase of \$15,000,000 to the budget request and the same amount above the House allowance, for this program element. JSOW is a new family of affordable, standoff air-to-surface weapons being developed by both the Navy and the Air Force. The recommendation adds \$10,000,000 to finance Navy efforts to assist the Air Force to accelerate the integration of the BLU-108 sensor fused weapon antiarmor munition into the JSOW platform. The Committee has provided additional funds to the Air Force to begin this acceleration.

Another \$5,000,000 is added to pay the Navy's share of a new effort with the Air Force to develop improved weapons ejector racks, or smart racks. This improvement would double a fighter aircraft's capability to carry smart munitions (JSOW, joint direct attack munitions, and wind corrected munitions dispensers).

Ship self-defense (demonstration/validation); ship self-defense (engineering/manufacturing development).-These program elements support projects to develop enhanced surface ship self-defense capabilities.

The Committee recommends \$203,469,000, an increase of \$11,200,00 to the budget request and an amount which is \$26,000,000 below the House allowance for the Demonstration/Validation Program element. The additional funds are provided to accelerate the fitting out of the self-defense test ship to ensure the vessel is ready to conduct remote control self-defense systems testing in fiscal year 1997. Equipment needed includes a refurbished surface search radar, a third diesel generator, self-defense suites, and signal encryption capability.

The Committee recommends \$199,501,000, an increase of \$18,000,000 to the budget request and amount which is \$25,000,000 below the House allowance for the Engineering/Manufacturing Development Program element. Of the increase, \$10,000,000 is provided for additional equipment for the Mark-1 land-based test site to permit more efficient land-based and shipboard testing. Another \$8,000,000 is added for the NULKA decoy project to permit the acquisition of more decoys for additional at-sea testing.

The Committee also directs that an additional \$1,000,000 of fiscal year 1994 funds may be used to support the cost and operational effectiveness analysis and other preparation for the next milestone decision for the evolved sea sparrow missile project.

The Committee directs that the funds added to these program elements may not be reallocated away from these specific projects or subprojects without prior consultation with, and notification to, the Committees on Appropriations.

The Committee further directs that no funds available in this or any other program element during fiscal year 1995 may be obligated to accelerate any cooperative engagement capability efforts and projects until at least 45 days after the Defense Department consults with, and notifies, the Committees on Appropriations.

The Committee is concerned about the House-recommended statutory requirement regarding the cooperative engagement and ship self-defense capabilities to be included in the baseline design of the new, LPD-17 class of amphibious ships. This broad requirement may impose a significant increase in the cost of the ship. The Committee recommends deleting this bill language.

Target systems development.-This program element funds the development of targets and threat simulators needed for RDT&E activities and operational training. The Committee recommends \$14,208,000, a reduction of \$13,834,000 to the budget request and the House allowance. The funds are specifically denied for the QF-4N and QF-4S target drones because the Navy has provided contradictory information about the costs and benefits of the targets. Furthermore, the Committee directs the Navy to present a more coherent plan with the submission of the fiscal year 1996 budget request. The plan must include full Navy participation in the Joint DOD Full-scale Targets Program.

Space and electronic warfare [SEW] surveillance/reconnaissance support.-The Committee agrees with the House action to provide \$12,065,000 for this program element. The recommendation denies \$2,500,000 for inadequately justified and unspecific new starts.

Strategic submarine and weapons system support.-This program element funds enhancements to the Trident I and II missiles and weapons systems aboard U.S. strategic nuclear ballistic missile submarines. Several adjustments are recommended.

First, the Committee approves the use of \$2,100,000 of fiscal year 1994 funds in the fleet ballistic missile systems project to permit the Navy and the Air Force to accomplish a state-of-the-art technology survey, an industrial base assessment, and a technical program plan to support a reentry vehicle [RV] industrial base sustainment program for both submarine-launched and land-based intercontinental ballistic missiles. These funds are sufficient to support efforts during fiscal years 1994 and 1995. No other use of the funds is approved.

The Committee has recommended approval of \$2,500,000 in an Air Force program element only to permit the Navy and the Air Force to identify and assess critical attributes to maintain ICBM-unique and SLBM-unique reentry vehicle industrial base capability.

Second, the Committee recommends a total of \$29,223,000, a reduction of \$23,138,000 to the budget request and an amount which is \$8,138,000 below the House allowance, for this Navy program. The recommendation denies three new starts: \$15,000,000 to begin the RV Industrial Base Sustainment Program, \$6,038,000 to begin a Trident ownership reduction initiative, and \$2,100,000 for a propellant program.

The RV activity is premature until the basic planning is accomplished with the fiscal year 1994 funds approved above and the fiscal year 1995 funds approved in the Air Force program element. The ownership cost reduction initiative and the propellant project are unjustified until the Congress has had the opportunity to assess the results of the nuclear posture review and the fiscal year 1996 budget request with respect to Navy strategic programs. The future of the C-4 Trident I missile and the size of the D-5 Trident II missile force are sufficiently uncertain to suggest caution in beginning initiatives which may not be required under future policy and budget plans.

F/A-18 squadrons.-The Committee approves the budget request of \$1,411,875,000 for this program element, which funds enhancements to the current F/A-18 C/D aircraft and development of the upgraded F/A-18 E/F aircraft variant. The Committee directs that no funds may be obligated to begin phase III of the Radar Upgrade Program without prior consultation with, and notification to, the congressional defense committees.

E-2 squadrons.-The Committee provides \$53,760,000, a decrease of \$5,000,000 to the budget request and the same amount below the House allowance, for this program element which supports enhancements to the carrier based E-2C airborne early warning aircraft. The Navy identified these funds as excess to fiscal year 1995 program requirements.

Consolidated training systems development.-The Committee recommends \$71,779,000, an increase of \$25,000,000 to the budget request for this program element. The additional funds shall be made available only to establish a shallow water range capability off the Navy's Pacific missile range facility at Barking Sands, Kauai, or at another appropriate location in the Hawaiian Island chain. The Committee directs that the establishment of this range should be in compliance with all the appropriate State and Federal environmental protection regulations and statutes.

The establishment of such a range will make a major contribution to maintaining the combat capabilities of Pacific Fleet aircraft, surface combatants, and submarines, especially in the area of littoral area antisubmarine warfare.

This program element also contains funds for the joint tactical combat training system [JTCTS] which is designed to provide a common aircraft training range system for the Navy and Air Force. The Committee recommends \$23,401,000, an amount equal to the budget request. In fiscal year 1994, the program was converted from a Navy initiative to a joint Navy/Air Force initiative. The Committee is concerned that there is not a coherent development plan and, therefore, directs that \$11,500,000 may not be obligated until the Navy and the Air Force submit a more detailed plan to the congressional defense committees defining the content and schedule for the program.

The House allowance endorsed \$49,779,000 for this program element.

F-14 upgrade.-The Committee agrees with the Senate-passed version of the National Defense Authorization Act for Fiscal Year 1995 to deny funds for the block one air-to-surface strike upgrade for the F-14 interceptor aircraft. The Committee also understands the Navy has not included funds for continuing this costly (\$1,553,000,000) program in its future budget plan.

Accordingly, the Committee provides \$31,027,000, a reduction of \$140,662,000 to the budget request and the same amount below the House allowance. Funds approved are available to continue the predeployment upgrade for the F-14D variant (\$29,427,000) and for the digital flight control system improvement (\$1,600,000).

Tactical air intercept [AIM] missiles.-This program element funds the Navy's share of the joint program with the Air Force to develop an upgraded short-range, air-to-air missile, known as the AIM-9X. The Committee agrees with the House recommendation to transfer funds requested in separate Navy and Air Force RDT&E program elements to a consolidated program element under the authority of the Office of the Secretary of Defense [OSD]. Accordingly, the Committee transfers \$22,376,000 from this program element.

Defense Meteorological Satellite Program [DMSP].-The Committee recommends \$13,960,000, a reduction of \$679,000 to the budget request for this program element. This program element supports Navy weather satellite-related activities. The denied funds were sought for Navy-unique activities for a follow-on DMSP satellite. These activities no longer are required since the Defense Department, the Commerce Department, and the National Aeronautics and Space Administration now intend to build a joint weather satellite system. The recommendation fully funds Navy activities for a joint program.

The House transferred all funds in this program element to an OSD-managed program element in the defensewide "RDT&E" appropriations account.

Retract Elm.-The Committee recommends a reduction of \$6,378,000 to this classified program element. The adjustment is addressed in the classified annex to this report.

Technical reconnaissance and surveillance.-The Committee recommends a reduction of \$500,000 in this classified program element. The adjustment is addressed in the classified annex to this report.

Sealift enhancements.-The budget request for the national defense sealift fund contained \$2,000,000 for the Merchant Ship Naval Augmentation Program and \$17,200,000 for the Strategic Sealift Technology Development Program. The Committee recommends that these funds be provided in the Navy's "RDT&E" appropriations account. The House RDT&E, Navy allowance did not include this recommendation.

Pacific missile range facility [PMRF].-The Committee recognizes that the PMRF air, surface, and subsurface ranges and associated test and exercise infrastructure provide the unique capability to conduct virtually unrestricted test and evaluation and operational training in ideal conditions in support of the Defense Department, the armed services, the National Aeronautics and Space Administration, and U.S. friends and allies. The Committee urges the Department to underscore this capacity to support surface, air, underwater, and space testing and recommends that PMRF be identified as a member of the major range and test facility base [MRTFB] as well as a fundamental part of the tactical training range infrastructure.

New attack submarine combat system.-The Committee supports the Navy's stated goal of employing an open hardware and software architecture to connect and operate the 15 command and surveillance subsystems comprising the combat system for the new attack submarine. This goal also attempts to maximize affordability, flexibility, and performance of the combat system. The Committee further believes that an open competition for the combat system should ensure the greatest possible use of open system interfaces and commercial electronics.

The Committee has been informed that the Navy is reconsidering the strategy for developing this combat system. Previous Navy plans to use only current combat systems as the baseline for the new submarine's system were criticized convincingly by an independent panel (the Reynolds panel) chartered by the service. The Committee believes that competition for the new attack submarine combat system at the system level must be pursued to optimize private sector expertise to develop and integrate an affordable, open system architecture using advanced technology. Therefore, the Committee prohibits the use of any fiscal year 1995 funds to develop, modify, or otherwise evolve the current Navy submarine combat systems as candidate systems for the new submarine, except as part of a fully competitive process.

The Committee further directs that no fiscal year 1995 funds shall be obligated for design, development, or integration of a combat system for the new attack submarine until the Assistant Secretary of the Navy (research, development, and acquisition) reports to the congressional defense committees on the service's revised strategy for a competition for a combat system integrator. This report, which shall be submitted no later than December 31, 1994, also shall describe how the service is responding to the specific

recommendations and conclusions of the independent panel with respect to development of the combat system.

Base operations, RDT&E.-The Committee concurs with the House recommendation to deny the \$32,100,000 requested for this program element.

Test and evaluation support.-The Committee recommends \$283,609,000, which is a reduction of \$10,000,000 to the budget request. In view of the Department's future plans to reduce test and evaluation infrastructure, the Committee moderates the growth in this program element. The House reduced the budget request by an equal amount.

Manufacturing technology.-The Committee approves \$45,584,000 for Navy manufacturing technology programs, an amount \$66,580,000 below the House recommendation, but an increase of \$25,420,000 compared to the budget request. The additional funds reflect the transfer of \$19,420,000 from the Defensewide Manufacturing Technology Program element and the addition of \$6,000,000 to support projects which were to be deferred under the budgeted level of funding.

Space energy laser [SELENE] feasibility study.-The Committee supports the requirement that the Secretary of Defense and Administrator of the National Aeronautics and Space Administration jointly carry out a study to determine the cost, feasibility, and advisability of the development and use of a system to deliver energy to satellites by beaming high power laser energy from ground sources. In particular, the study is to consider development of the SELENE system using a free electron laser at the Naval Air Weapons Station, China Lake, CA.

The Committee directs that any funding needed for this study shall not come from funds intended to be used by the China Lake Naval Air Weapons Station. The Committee further directs that the sources of any funds needed for the study be identified in advance to the Committee.

Advanced marine biological system.-The Committee is aware that the Navy has employed marine mammals in various operational and research programs for more than 25 years and that some of these animals are no longer required for the Navy's program. In accordance with congressional direction in fiscal year 1992, the Navy conducted research to develop procedures to return excess dolphins to the wild. The Navy concluded, in technical report 1549 of October 1993, that (1) there is no compelling scientific reason to reintroduce nonendangered species to the wild, (2) reintroduction may not be in the best interest of Navy animals or the wild populations, and (3) as a fiscal management option, return to the wild is not sound policy.

As directed by the Congress in fiscal year 1993, the Navy provided a long-range plan for its marine mammals and budgeted for long-term care and maintenance. The joint explanatory statement of the committee of conference on the Department of Defense Appropriations Act, 1994, gave the Navy flexibility to transfer animals no longer required for Navy operations to alternative protective captive environments as an alternative to returning dolphins into the wild. It was the intent of the Committee that this language did not preclude the Navy from retaining marine mammals which were not suitable release candidates or could not be transferred to alternative protective captive environments.

The Committee is aware of the animal rights community's interest in requiring that all dolphins identified as suitable release candidates be rehabilitated and released. The Committee is concerned that the release of a marine mammal that has been in captivity for a substantial length of time and that has become habituated toward, and perhaps dependent upon, humans involves significant risk. The Committee is aware that the potential exists for adverse impacts on the animal being released as well as on the wild marine mammal populations which it rejoins, from, among other things, disease transmission and behavior modification.

The Committee is informed that there are no scientifically established or accepted protocols for such releases. Moreover, documented success of previous attempts to reintroduce captive marine mammals to the wild is sparse.

Accordingly, the Committee believes that any attempts at releasing Navy marine mammals to the wild should be pursued cautiously and on an experimental basis until scientifically sound protocols have been developed and reintroductions have proven successful. The Committee directs the Navy to cooperate with the Secretary of Commerce and the Marine Mammal Commission in developing rigorous scientific protocols for experimental releases. Given the potential for takes under the Marine Mammal Protection Act or the Endangered Species Act, the Committee directs that, in no case, shall any release be attempted unless authorized by a scientific research permit issued by the Secretary of Commerce under the appropriate statutory authority.

The Committee is aware that the Navy will transfer a number of its dolphins to a private facility in Florida for public display purposes subject to approval by the National Marine Fisheries Service and Animal and Plant Health Inspection Service. The Committee is further aware that the facility intends to work toward the reintroduction of these dolphins to the wild if the National Marine Fisheries Service approves a scientific research permit. The Committee is pleased to learn that the efforts to work toward the reintroduction of these dolphins will be financed through private funds and that no Federal funds are required for this activity. Therefore, the Committee does not recommend any Federal funding for this effort.

The Committee directs the Navy to continue to notify the congressional Defense committees in advance of any proposed transfer of marine mammals no longer required by the Navy. The Committee further directs the Navy to report to the Committee every 6 months on the progress of its efforts relating to marine mammals no longer required by the Navy.

Navy single channel ground and airborne radio system [SINCGARS].-The Committee directs the Assistant Secretary of the Navy (research, development, and acquisition) to report to the congressional Defense committees no later than May 5, 1995, on the costs, schedule, technical risks, and military advantages and disadvantages of extending the application of the SINCGARS-based voice and data distribution system into the Navy and Marine Corps in support of amphibious and mine warfare. This report also shall address the need for the Navy and Marine Corps to conduct an accelerated analysis and demonstration of SINCGARS in order to determine the operational capabilities from using the system.

Mine clearing technology.-The Committee understands the Marine Corps tested at Camp Pendleton a power blade mine clearing system, with positive results. Of the total funds provided for the "RDT&E, Navy" appropriations account, the Committee directs that \$600,000 be made available to further test and validate the power blade technology. If successful, this technology should be considered for broader application and acquisition to improve mine clearing capabilities.

#### OTHER ADJUSTMENTS

Authorization adjustments.-The Committee recommends incorporating the following adjustments to the budget estimate, in accordance with the Senate authorization action:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Marine Corps ground combat/support system	11,416	23,916	26,416	+15,000	+2,500
Marine Corps ground combat/supporting arms system	13,051	13,051	23,051	+10,000	+10,000

Federal Workforce  
Restructuring Act

200 +200 +200

# HOUSE ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Surface/aerospace surveillance and weapons technology	75,088	80,088	75,088		-5,000
Aircraft technology	24,691	25,145	24,691		-454
Oceanographic and atmospheric technology	44,965	56,065	44,965		-11,100
Precision strike and air defense	32,961	40,061	32,961		-7,100
Medical development	17,820	59,520	17,820		-41,700
Environmental quality and logistics advanced technology	21,024	23,024	21,024		-2,000
Undersea warfare advanced technology	47,330	49,830	47,330		-2,500
C <sup>3</sup> advanced technology	26,556	21,456	26,556		+5,100
Aviation survivability	9,992	16,192	9,992		-6,200
Advanced submarine combat systems development	20,564	24,564	20,564		-4,000
Advanced submarine system development	86,005	186,005	86,005		-100,000
Marine Corps assault vehicles	26,399	35,499	26,399		-9,100
AV-8B aircraft-engineering development	10,203	11,203	10,203		-1,000
Air crew systems development	12,157	15,157	12,157		-3,000
New design SSN	266,155	203,477	266,155		+62,678
Ship contract design/live fire T&E	160,092	22,770	160,092		+137,322
Navy tactical computer resources	15,774	18,774	15,774		-3,000
Lightweight torpedo development	10,284	13,284	10,284		-3,000
Joint direct attack munition	25,173	26,673	25,173		-1,500
Intelligence engineering	4,033		4,033		+4,033
Studies and analysis support-Navy	6,058	4,041	6,058		+2,017
Technical information services	1,776	4,776	1,776		-3,000
F/A-18 squadrons	1,411,875	1,423,875	1,411,875		-12,000
Integrated surveillance system	28,805	43,605	28,805		-14,800
Marine Corps combat services support	6,173	2,628	6,173		+3,545
Satellite communications	47,115		47,115		+47,115
General reduction, university research		-310,000			+310,000
Civilian personnel pay raise and locality pay		1,200			-1,200

Offset folios 0 to 0-RDT&E, NAVY insert here\*\*\*TABLE GOES HERE\*\*\*

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

Appropriations, 1994  
Budget estimate, 1995

\$12,314,362,000  
12,349,362,000

House allowance	10,728,533,000
Committee recommendation	12,151,011,000

The Committee recommends an appropriation of \$12,151,011,000 for the Air Force's research, development, test, and evaluation programs, a decrease of \$198,351,000 to the budget request. The recommendation is \$1,422,478,000 above the House allowance.

The budget activities and programs funded under this appropriation are discussed below.  
**COMMITTEE RECOMMENDED ADJUSTMENTS**

Defense research sciences.-The Committee directs that, of the funds recommended for this program element, \$650,000 shall be made available by the Air Force only as the service's annual contribution to support the National Solar Observatory [NSO]. Additional recommendations regarding this program element are contained in the "Principal committee observations" section of this report.

Aerospace flight dynamics.-The Committee approves \$60,946,000 for this program element, decreasing the budget request by \$3,100,000 and adding \$946,000 compared to the House amount. The Committee provides \$1,500,000 only to permit the Air Force and the Advanced Research Projects Agency [ARPA] to work jointly on concepts which establish methods to drop sensors and cargo from aircraft with improved accuracy. The Committee also deletes \$4,600,000 to study aerodynamic design and airframe propulsion integration for future aircraft. Such efforts are premature until the JAST Program proceeds.

Human systems technology.-The Committee approves \$48,302,000, reducing the budget request by \$4,216,000 and the House allowance by \$698,000. The reduction is made to hold the program to the fiscal year 1994 level, deleting funds for efforts such as hypervelocity crew escape exposure studies and poorly coordinated helmet mounted display [HMD] activities.

Aerospace propulsion.-The Committee approves \$73,406,000, adjusting the budget request downward by \$4,100,000 and providing \$7,100,000 less than the House. The Committee deletes \$4,100,000 for scramjet and combined cycle propulsion efforts which the Air Force indicated notionally supported an SR-71 follow-on or a theater missile defense program. These efforts should be transferred to the Hypersonic Flight Technology Program element for consideration.

Aerospace avionics.-The Committee approves \$66,977,000 to continue Air Force efforts to develop avionics concepts for future aircraft. The recommendation provides a decrease of \$7,696,000 to the budget request and a decrease of \$23,000 to the House allowance. The Committee's action reflects the following reductions: (a) \$1,287,000 for development efforts on laser-based jamming to counter infrared-guided missiles; (b) \$650,000 to develop a less than 1 kilowatt laser source; (c) \$3,642,000 allocated to developing advanced processor and software technology for embedded, real time data processing; (d) \$980,000 to develop an advanced solid state miniature inertial sensor; (e) \$592,000 budgeted for low cost radar and architecture technology; and (f) \$545,000 allocated to a laser radar effort. These efforts duplicate ongoing development programs in service or Advanced Research Projects Agency [ARPA] accounts, lack firm transition plans, have experienced delays in transitioning within the Air Force, or are not supported by future program requirements.

Personnel, training, and simulation.-The Committee approves \$33,748,000, an increase to the budget request and the House allowance of \$3,900,000. The additional funds are provided as a result of the transfer of a new Advanced Research Projects Agency [ARPA] simulation-based training initiative. The Committee directs the Air Force and ARPA to work together on this initiative to ensure that the program addresses user needs and maximizes the use of innovative Air Force and ARPA technologies.

Hypersonic flight technology.-This newly created program element represents the remaining efforts of the now deferred National Aerospace Plane [NASP] Program. While the Committee believes it is necessary for the Air Force to invest in basic hypersonic technologies, the currently proposed program is unaffordable. The Committee cannot endorse the expenditure of \$500,000,000 for four flight tests which will leave many



questions about hypersonic flight still unanswered. The Committee understands that the Air Force has reached a similar conclusion and is likely to delete the funds to continue this program from future defense budgets.

At one time, the creation of a consortia of aerospace contractors and Government officials within the NASP program office [NPO] represented a significant accomplishment and positive step toward NASP development. Now, the NPO represents an unaffordable overhead cost preventing the Air Force from defining an affordable hypersonic technology program. The Committee believes that the Air Force must define a program which charts a path to expanding our understanding and ability to operate missiles, and possibly flight vehicles, at hypersonic speeds.

Based on these conclusions, the Committee provides \$10,000,000, a decrease to the budget request of \$35,000,000 and an equal amount below the House allocation. The Committee directs that these funds may not be obligated until the Congress receives a plan from the Assistant Secretary of the Air Force (acquisition) outlining the Air Force's objectives for these funds, certifying that future budgets will sustain the defined program, and providing a detailed breakdown of the cost of the fiscal year 1995 activities.

Advanced weapons.-The Committee provides \$148,202,000, an increase of \$23,000,000 to the request and an amount \$8,000,000 above the House allowance.

Of the additional funds, the Committee directs that \$13,000,000 shall be made available only to continue the establishment and operation of a massively parallel supercomputer to support the image information processing needs of the Air Force Maui Space Surveillance Site [MSSS] and other DOD high-performance computing needs. The Committee has included bill language to implement this recommendation.

The Committee also directs that the remaining additional funds, \$10,000,000, are available only to continue thermionic research and development efforts.

The Committee further directs that, of the total funds provided in this program element-not including the previously discussed increases-the Air Force shall make available \$5,000,000 only to continue the high altitude active auroral research program [HAARP].

Advanced avionics for aerospace vehicles.-The Committee recommends \$23,398,000, a reduction of \$11,102,000 to the budget request and an amount which is \$14,102,000 below the House allowance, for this program element. The recommendation denies funds in the target attack and recognition technology project so as to constrain these efforts to the fiscal year 1994 level. These funds support activities in the automatic target recognition, advanced target detection, and target attack areas which duplicate efforts sponsored by the Advanced Research Projects Agency or which represent premature enhancements to still emerging precision targeting and weapons capabilities.

Aerospace vehicle technology.-The Committee recommends \$6,718,000, a reduction of \$7,621,000 to the budget request for this program element. Funds are denied for the improved methods for aircraft cargo handling project (\$300,000) and for several joint advanced strike technology [JAST]-related activities. These latter decreases are explained earlier in the report.

The cargo handling project was rejected last year by the Congress and is unjustified before the configuration of the airlift fleet is determined after the probation period for the C-17 transport program. Until then, firm requirements for cargo handling volume and throughput are a matter of speculation.

The House allowance reduced this program element by \$839,000.

Aerospace structures.-The Committee provides \$300,000, a reduction of \$12,000,000 to the budget request and the same amount below the House allowance, for this program element. The only funds provided are for the special operations and future transport structures subproject, which seeks to explore lighter, stronger armor/airframe structures. All other funds in the advanced composites structures and advanced metallic structures projects are eliminated because they should be considered for funding in the JAST Program.

Aerospace propulsion and power technology.-This program element funds development of advanced propulsion and engine technologies for aircraft and missiles. The Committee approves \$32,421,000, a reduction of \$8,241,000 to the budget request. An amount of \$3,327,000 is deleted for the JAST-related aerospace power technology/more electric aircraft sub-project. Another \$4,914,000 is denied for the variable flow ducted rocket [VFDR] engine. Emerging results of the cost-and-operational effectiveness analysis for the advanced medium range air-to-air missile [AMRAAM] product improvement program have prompted the Air Force and Navy to conclude that the VFDR engine is not a cost-effective and affordable option for the upgrade.

The House allowance included \$30,662,000 for this program element.

Global surveillance.-The Committee provides \$2,000,000, a reduction of \$12,500,000 from the budget request and an equal amount below the House allowance, for this program element. All requested funds (\$14,500,000) are denied to begin the Air Mobility Command Global Communications Grid Program. This costly initiative (at least \$150,000,000) has not been subject to an independent cost estimate, feasibility study, technical risk assessment, and rigorous military requirements analysis.

The Committee provides \$2,000,000 only for these purposes, which does not constitute an endorsement of this new start proposal. The Committee directs that the acquisition studies be accomplished by an independent entity with no connection to the sponsoring Air Force organizations, and that the military requirements be closely examined by the Organization of the Joint Chiefs of Staff.

The results of these studies must be submitted to the Committees on Appropriations no later than April 1, 1995. The Committee directs that, should any funds be sought in the fiscal year 1996 budget request for this initiative, the Assistant Secretary of the Air Force (acquisition) and the Deputy Chief of Staff for Plans and Operations must certify by the same date that the proposed effort does not duplicate any other acquisition or operational programs throughout the Defense Department to improve Air Force command, control, communications, and mission planning of mobility forces. This certification must include consideration of activities sponsored by the Advanced Research Projects Agency in its warbreaker/synthetic theater of war programs.

Advanced fighter technology integration.-The Committee endorses \$4,000,000, a decrease of \$14,100,000 to the budget request and the same amount below the House allowance, for this program element. Funds are deleted for two JAST-related projects and for the common mobility aircraft cockpit (\$5,000,000). This activity was rejected last year by the Congress and remains unjustified pending future decisions about the composition of the airlift mobility fleet.

In addition, the opportunity and military requirement for a common mobility aircraft cockpit is unclear since a new crew station/avionics study and demonstration for the KC-135 cockpit is being funded in the KC-135 squadrons program element. Also, the affordability in future budgets of reconfiguring the cockpits of hundreds of transport aircraft must be questioned.

Lincoln Laboratory.-This program element supports in-house research and salaries at the Lincoln Laboratory federally funded research and development center. As such, it represents only a fraction of the more than \$300,000,000 the laboratory receives annually from the Air Force.

The Air Force has demonstrated that this separate program element for Lincoln Laboratory is a low priority by reducing its budget allocation to zero in the future spending plan. Therefore, the Committee recommends no funds for this separate program element, a decrease of \$15,000,000 to the budget request and an equal amount below the House allowance.

Electronic warfare [EW] technology.-The Committee provides \$18,299,000, a reduction of \$9,401,000 to the budget request, for this program element. The recommendation deletes funds in the

offboard countermeasures project to develop a laser-based countermeasures system to defeat infrared (heat-seeking) missiles.

This project is premature because of ongoing Army and Air Force efforts to develop an advanced tactical infrared countermeasures [ATIRCM] system and a directed infrared countermeasures [DIRCM] system for helicopters and large aircraft. These programs can serve as risk reduction and a foundation for applying such technologies to tactical combat aircraft.

In addition, the project in this program element is not sufficiently coordinated with the overall DOD infrared countermeasures plan, which establishes a much later, lower priority for fighter aircraft-oriented activities.

The House allowance reduced this program element by \$3,700,000.

Space and missile rocket propulsion.-The Committee recommends \$8,630,000, a decrease of \$3,170,000 and an amount which is \$5,670,000 below the House allocation, for this program element. An amount of \$5,670,000 is denied specifically for the new start effort to develop advanced cryogenic propulsion technologies for reusable space launch vehicles. The Defense Department has no military requirement for reusable space boosters.

The Committee adds \$2,500,000 to support the development of environmentally acceptable propellants and related components for space boosters.

Ballistic missile technology.-The Committee allocates \$5,000,000, an equal amount below the budget request for this program element. The reduction is made to the reentry vehicle [RV] technology project, which apparently has been focussed toward developing capabilities for a conventional-warhead intercontinental ballistic missile.

The House allowance also deleted \$5,000,000 from this program element but recommended an adjustment in other RV advanced technology activities.

Advanced spacecraft technology.-The Committee endorses \$19,400,000, a decrease of \$4,800,000 to the budget request for this program element. The action denies \$4,000,000 for a new, undefined space technology operational evaluation satellite and \$800,000 for advanced radio frequency and laser satellite communications technologies which are not required to accomplish ongoing and programmed satellite acquisition programs.

The House allowance recommended that all funds in this program element be transferred to the "RDT&E, defensewide" appropriations account.

Conventional weapons technology.-The budget request for this program element sought 101 percent growth compared with the fiscal year 1994 allocation. Several new start projects were proposed, including product improvements for weapons still being defined or under development. The affordability and likelihood of transitioning the technologies developed in this program element into current and future weapons systems is uncertain given future budget constraints.

Accordingly, the Committee recommends constraining this program element to the current fiscal year funding level, \$17,464,000, and deleting \$17,636,000. Specific subprojects denied are the advanced munitions control technology, subminiature telemetry for multiple submunitions, antimateriel warhead flight tests, counter proliferation ordnance, weapon carriage technology, velocity augmented munitions, autonomous synthetic aperture radar guidance II, and low cost antiarmor submunition risk reduction.

The House allowance approved the budget request for this program element.

Advanced radiation technology.-The Air Force exploits lasers and other electromagnetic sources for military purposes through the investments made in this program element. The Committee approves \$86,500,000, an increase over the budget of \$27,000,000 and an addition to the House amount of \$7,000,000.

The Committee directs that \$17,000,000 shall be made available only to complete the development of a field laser radar [FLD] which uses telescopes and facilities of the Air Force's Maui Space Surveillance Site [MSSS]. The remaining additional funds, \$10,000,000, are available only to develop technologies for using an excimer laser for high resolution imaging of space objects.

Airborne laser technology; theater missile defense.-The Committee recommends the transfer of the full amount requested for development of airborne laser technology, \$20,000,000, to the combined boost phase intercept [BPI] project established within the Ballistic Missile Defense Organization [BMDO] Follow-On Technologies Program element. The House fully funded the budget request in this Air Force program element.

Similarly, the Committee also transfers the full \$52,000,000 sought for an ascent phase demonstration under this theater missile defense program element to the BMDO Program. The Committee's views are further detailed in the discussion contained in the "RDT&E, defensewide" section of this report.

The Committee provides \$17,002,000 in the Air Force theater missile defense program element, adjusting the budget request downward by \$62,300,000 and providing \$10,300,000 less than the House allowance. The funding recommendation implements the following actions: (a) deletes \$52,000,000, as noted above, to effect the transfer of the Boost Phase Intercept [BPI] Program into the Ballistic Missile Defense Organization [BMDO]; (b) adds \$4,700,000 transferred to this program element from the Advanced Research Projects Agency [ARPA]; and (c) denies \$15,000,000 as discussed under the high gear entry within this section of the report.

The \$4,700,000 is transferred from ARPA only to support cooperative completion and transition of the multisensor target recognition systems [MUSTRS]. Within the available funds, the Committee also directs that \$5,500,000 shall be made available only to operate, maintain, and utilize the Theater Air Command and Control Simulation Facility [TACCSF].

Theater battle management [TBM] C<sup>4</sup>I.-The Committee recommends \$25,957,000, a decrease to the budget request of \$8,000,000 and an equal amount below the House allocation.

The Committee denies \$6,000,000 to begin version 7 of the contingency theater automated planning system [CTAPS]. The Air Force should complete and test version 6 before initiating a concurrent software upgrade. The Committee is also concerned that developmental and operational test and evaluation [DT&E and OT&E] occur after virtually all CTAPS systems are procured. The Air Force must resolve this disconnect. Either the tests are perfunctory and a poor use of limited funds or the procurement funds are premature until the system demonstrations have provided adequate confidence to proceed with purchases.

The annual software releases of the supporting development effort, the wing command and control system, do not match the CTAPS software version release schedule. This program also now includes the command and control information processing system [C<sup>2</sup>IPS] project. The Air Force needs to review the plans to avoid haphazard software releases which could pose interoperability problems.

Like CTAPS, the C<sup>2</sup>IPS Program also includes concurrent software development efforts. Therefore, the Committee deletes \$2,000,000 to defer C<sup>2</sup>IPS increment 4 until the increment 3 effort has been completed and validated.

Strategic missile modernization; Minuteman squadrons; intercontinental ballistic missile [ICBM] modernization (demonstration/validation); ICBM modernization (engineering/manufacturing development).-The Committee has become concerned that Air Force programs to maintain and improve the capabilities of the Minuteman ICBM force are not sufficiently coordinated. There also are indications that the service's

acquisition and operations communities, which share management and oversight responsibility for these programs, may disagree on the most effective approach to execute this multibillion-dollar activity.

The Committee further understands that there may have been instances in which operations and maintenance and procurement funds were used for research and development purposes, and in which projects were begun without necessary requirements documentation, acquisition decisions, and adequate provision for test and evaluation of the proposed product.

The Committee recommends a restructuring of the management and program elements arrangements for these programs to enable the Air Force to better manage, coordinate, and make tradeoffs among these activities, and to permit Congress to obtain maximum oversight and awareness of them.

The Committee recommends eliminating all funds in the Minuteman squadrons and strategic missile modernization program elements and reallocating them into two new program elements for ICBM modernization demonstration/validation and engineering and manufacturing development. The Committee directs that all future funding for these activities must be requested in these new program elements, which are to be managed by the Air Force as an integrated major acquisition program under the authority of the Assistant Secretary of the Air Force for Acquisition.

The Assistant Secretary also is directed to review promptly and thoroughly all ongoing Minuteman programs at the Silo Based ICBM System Program Office and determine whether any funds have been used inappropriately and contrary to established acquisition guidelines. The Assistant Secretary is directed to report to the congressional defense committees on these matters no later than March 1, 1995.

The Committee recommends \$43,206,000 and the following allocations and adjustments in the new ICBM modernization (demonstration and validation) program element: (1) ICBM guidance applications, \$12,650,000, the budget request; (2) ICBM propulsion applications, \$301,000, the budget request; (3) ICBM reentry vehicle [RV] applications, \$2,500,000, a decrease of \$8,439,000 to the budget request; (4) Reentry System Launch Program [RSLP] \$23,827,000, an increase of \$12,000,000 to the budget request; (5) ICBM command and control applications \$301,000, the budget request; and (6) long-range planning, \$3,627,000, the budget request.

As addressed and governed by the discussion in the Navy RDT&E section of this report, the Committee directs that the \$2,500,000 provided in the ICBM RV applications project shall be used only to permit the Air Force and the Navy to identify and assess critical attributes to maintain ICBM-unique and submarine-launched ballistic missile-unique RV industrial base capability. The Committee further directs that the services include in their assessments a thorough examination of the prospects and utility of establishing a cost-sharing program with private industry to finance any RV industrial base sustainment program.

The funds added to the RSLP project will support acceleration of the efforts to develop a relatively low cost space booster alternative primarily for small scientific payloads.

The Committee recommends \$148,048,000 and the following allocations in the new ICBM modernization (engineering and manufacturing development) program element: (1) Minuteman rapid execution and combat targeting [REACT], \$21,792,000, the budget request; (2) Minuteman III Guidance Replacement Program phase 1, \$100,383,000, the budget request; (3) Minuteman III Propulsion Replacement Program, \$25,873,000, the budget request.

The Committee directs that no funds may be reallocated between projects within either program element without prior consultation with, and notification to, the congressional defense committees.

The House allowance approved the budget requests for the strategic missile modernization and Minuteman squadrons program elements.

Space Test Program.-This program element funds the integration of scientific experiments and other research payloads onto Air Force space launch vehicles and the National Aeronautics and Space

Administration [NASA] space shuttle. The Committee understands that the Air Force is reconsidering the already low priority of this program and may significantly reduce its budget in the future spending plan.

Within this context, the Committee approves \$67,998,000, an increase of \$5,914,000 to the budget request. The House allowance transferred all requested funds to an "RDT&E, defensewide" appropriations account program element.

Four adjustments are recommended. First, \$2,886,000 is denied for the space test experiment platforms [STEP] follow-on one contract. No detailed justification was provided for the budget request.

Second, \$2,527,000 is deleted to limit the piggybacks portion of the freeflyers project to the current fiscal year level. The action would deny new starts for fiscal year 1995 and fiscal year 1994 new starts not previously disclosed to the Committee.

Third, \$1,673,000 is decreased to constrain the space shuttle secondaries project to the fiscal year 1994 level.

Fourth, \$13,000,000 is added to this program element from the Air Force "Procurement" account for medium launch vehicles. The transferred funds were budgeted to continue the purchase of a now canceled Delta II booster. These funds are provided to continue operations of the miniature sensor technology integration [MSTI] satellites 2 and 3. Responsibility for the MSTI Program has been transferred to the Air Force from the Ballistic Missile Defense Organization, and these funds will allow the Air Force to implement its plan to operate and acquire data from the existing MSTI satellites. No funds are provided for further procurement of MSTI satellites until the Air Force develops a plan for future, competitive space-based sensor experiments.

The Committee directs that, within the funds provided for the program element, the Air Force shall fully fund at the budget request level the STEP-3 mission, which includes a satellite attack warning and assessment flight experiment. Step-3 is scheduled to be launched in fiscal year 1995 from Vandenberg Air Force Base.

Air Force Space Test and Experimentation Program Office [SMC/CU].-The Committee understands that the Air Force intends to proceed with the consolidation of the Space Test and Experimentation Program Office [SMC/CU] but has not provided sufficient information to Congress about this action.

Therefore, the Committee directs the Secretary of the Air Force to submit a report to the Committees on Appropriations not later than December 31, 1994. The report should address the following aspects of the proposed SMC/CU consolidation: (1) the military and fiscal basis; (2) the specific implementation plan, including the timetable; (3) the impact on military, civilian, and contractor personnel, including the specific numbers and locations of personnel in each category who will be affected; (4) the total associated costs, including any direct and indirect costs, and the funding source by program element and fiscal years; (5) a cost-benefit analysis to compare the associated costs with the potential military and fiscal benefits; and (6) any impact, direct or indirect, on future base closure and realignment [BRAC] recommendations or actions.

The Committee further directs that not more than one-half of the funds available to the Space Test Program during fiscal year 1995 may be obligated or expended until this report has been submitted.

Defense meteorological satellite program block 6.-The Committee agrees with the budget request for \$7,601,000 to support Air Force activities to develop a new weather satellite system. The Committee directs that these funds shall be made available only to support the converged weather satellite program now to be accomplished by the Air Force, the Department of Commerce, and NASA.

The House allowance transferred all requested funds to the an "RDT&E, defensewide" appropriations account program element.

Satellite systems survivability.-The Committee provides \$2,131,000, a decrease of \$6,400,000 to the budget request for this program element. The House allowance transferred all funds to the "RDT&E,

defensewide" appropriations account. The recommendation eliminates funds sought for the miniaturized satellite threat reporting system [MSTRS].

MSTRS was rejected last year by the Congress. It remains unjustified since the satellite attack warning and assessment flight experiment [SAFWE] discussed in the Space Test Program entry will help define technology and operational requirements for such systems. SAFWE is designed to demonstrate the fabrication of a space-qualified attack warning and assessment system which minimizes space, weight, and power requirements.

C-17 Program.-The Committee recommends \$210,154,000, a reduction of \$11,300,000 to the budget request for this program element, which supports continued RDT&E on the Air Force's advanced cargo aircraft. The action deletes \$6,800,000 due to the carryover into fiscal year 1995 of unused current fiscal year engineering change order funds. Another \$4,500,000 is unneeded since it was budgeted for legal support for the program office if Congress rejected the claims settlement package crafted by the Defense Department and the C-17 prime contractor. The Senate has approved the settlement. Full funding for the fiscal year 1995 RDT&E share of the settlement is included in the Committee's recommendation.

The House allowance deleted \$116,300,000 from this program element.

Specialized undergraduate pilot training.-This program element supports acquisition of the Air Force's main trainer aircraft-the enhanced flight screener, the T-1A, and the joint primary aircraft training system [JPATS]. The Committee provides \$37,433,000, a reduction of \$4,200,000 to the budget request. The House allowance deleted \$21,633,000 from this program element.

The Committee deletes \$2,200,000 identified by the Air Force as excess to known JPATS Program funding requirements and \$2,000,000 to eliminate excessive program office costs for the T-1A system.

F-22 engineering/manufacturing development [EMD].-This program element supports development of the Air Force's advanced tactical air superiority fighter. The Committee allocates \$2,399,849,000, a reduction of \$61,300,000 to the budget request and an amount which is \$43,500,000 below the House allowance. These funds were identified by the Air Force as excess to known program funding requirements.

The Committee is concerned that the F-22 test and evaluation master plan [TEMP] may not include sufficient electronic combat effectiveness testing before the beginning of operational test and evaluation and the onset of production. The Committee believes that it is important for the F-22 to demonstrate its capabilities in an offensive air superiority mission against a full array of likely threats. Those threats should include a modern integrated air defense system, at a minimum on a simulated basis to the extent practicable, affordable, and cost effective.

Therefore, the Committee directs that no more than 65 percent of the funds provided for the F-22 program for fiscal year 1995 may be obligated until the Assistant Secretary of the Air Force (acquisition) submits to the congressional defense committees a report outlining the cost and schedule impacts on the F-22 program, and the technical and operational advantages and disadvantages, of revising the TEMP to include significantly more thorough electronic combat effectiveness testing before initiation of: (1) pre-production vehicle procurement; (2) commitment to low-rate initial production; and (3) commencement of initial operational test and evaluation.

This report shall include, as a baseline, thorough electronic combat testing at the real-time electromagnetic digitally controlled analyzer and processor [REDCAP] and the Air Force electronic warfare evaluation simulator [AFEWES], and an installed system test facility with a capable wide-spectrum radio frequency generator that is interfaced for real-time control from remote facilities and a high capability dome, visual system cockpit simulator.

The report also shall identify the funding required between fiscal years 1996-99 to allow the electronic combat test facilities cited in the preceding paragraph to thoroughly undertake effectiveness testing on integrated avionics suites.

Aircraft engine component improvement program.-The Committee approves the budget request of \$97,399,000, an amount which is \$2,000,000 above the House allowance, for this program element. Of the funds provided, the Committee directs that \$2,000,000 shall be available only to permit the Air Force to explore further the military utility, logistic impacts, engine and control system modifications, costs, and other issues associated with retrofitting new, composite propellers on C-130H transport aircraft. None of the funds for C-130H composite propeller applications may be obligated until the Air Force provides the congressional defense committees with a detailed report on the issues remaining to be resolved about such a retrofit project. This report shall include a specific plan for using the funds provided to address these issues.

Electronic warfare [EW] development.-This program element finances development of advanced electronic combat systems-jammers, warning receivers, et cetera-for Air Force aircraft. The Committee recommends \$118,275,000, an increase of \$29,501,000 to the budget request and the same amount above the House allowance.

The Committee endorses three budget adjustments.

First, \$5,400,000 is added to the EF-111 System Improvement Program for increased risk reduction under the revised program plan. The funds are provided to productionize tested units and may not be used to reaccelerate the digital-based exciter [DBE] subsystem. The Committee rejected a similar acceleration last year when it questioned the overall cost growth, concurrency, and technical problems occurring in the program. The restructured program has yet to demonstrate that these problems have been resolved. For the same reasons, the Committee also approves the Air Force request to begin the risk reduction efforts by reallocating fiscal year 1994 funds. However, the Committee approves only the reallocation of \$1,200,000 to productionize the tested units. The request to reallocate \$3,500,000 to reaccelerate the DBE is denied.

Second, \$3,440,000 is added to the advanced missile warning system [MAWS] project to restore fiscal year 1994 funds diverted from the activity to absorb a congressional general reduction made to the program element. The Committee directs that the Air Force should try to avoid developing a MAWS which is incompatible with the C-17 transport and B-1B bomber.

Third, \$20,661,000 is added to continue the on-board electronic warfare simulator [OBEWS] project. The Committee directs the Air Force to combine these funds with \$9,798,000 in fiscal year 1994 OBEWS funding to support program activities in both fiscal years.

The Committee observes that, for several years, the Air Force claimed that OBEWS was a high priority and essential system to provide realistic and effective combat training for F-16 pilots and F-15E aircrews. OBEWS would enable pilots and aircrews to simulate, and respond to, engagements with threat air defenses without being required to travel to instrumented training ranges. Thus, training opportunities would be more available, more productive, and less costly.

Nevertheless, late last year, the Air Force decided to terminate OBEWS during fiscal year 1994 because the program did not have sufficient priority to retain funding in the current restrained fiscal environment.

The Committee notes that the total acquisition cost for OBEWS was estimated to be \$120,600,000 for approximately 900 aircraft systems and 40 squadron debriefing stations. That amount is less than the probable cost of a single advanced combat aircraft in the future.

The Committee understands further that the Air Force will be operating F-16 and F-15E aircraft as the mainstay of its fighter forces well into the next century. The Committee also has heard repeatedly from Air Force leaders that a smaller force structure requires the maximization of training effectiveness and combat readiness.

Given these facts, the Committee must question the Air Force's spending priorities with respect to OBEWS. Therefore, the Air Force also is directed to include full funding in the fiscal years 1996-2001



Future Years Defense Program to finish development and begin procurement and deployment of the OBEWS system for aircraft and squadrons.

The Committee further directs that no funds may be reallocated between projects within this program element without prior consultation with, and notification to, the congressional Defense committees.

Joint standoff weapon systems [JSOW].-The Committee approves \$80,966,000, an increase of \$32,000,000 to the budget request and the same amount above the House allowance, for this program element. JSOW is a new family of affordable, standoff air-to-surface weapons being developed by both the Air Force and the Navy. The recommendation adds \$25,000,000 to permit the Air Force to accelerate the integration of the BLU-108 sensor fused weapon antiarmor munition into the JSOW platform. The Committee directs the Air Force not to reprogram any funds away from the BLU-108 project.

Another \$5,000,000 is added to pay the Air Force share of a new effort with the Navy to develop improved weapons ejector racks, or smart racks. This improvement would double a fighter aircraft's capability to carry smart munitions (JSOW, joint direct attack munitions, and wind corrected munitions dispensers).

An additional amount of \$2,000,000 also is provided to expand the electronic and software interfaces between the JSOW weapons and their launching aircraft. The use of both military standard 1760 "A" and "B" protocols, as is done in the Joint Direct Attack Munitions Program, will make JSOW more compatible with B-2 and B-52 bombers and F-15E fighter-bombers. Thus, aircraft integration costs are expected to decrease.

Computer resource technology transition [CRTT].-The Committee recommends \$15,121,000, an increase of \$8,500,000 to the budget request but an amount which is \$6,000,000 below the House allowance, for this program element. The additional funds are provided only for the IMIS/CAMS-REMIS/TICARRS test as explained in the procurement overview section of this report.

Joint surveillance/target attack radar system [JSTARS].-The Committee recommends \$191,908,000, an increase of \$1,500,000 to the budget request and the same amount above the House allowance, for this program element. JSTARS is an Air Force aircraft operating with Army ground stations to observe and target ground formations and combat vehicles.

The increase is provided to support Air Force and Army costs associated with demonstrating the JSTARS air and ground components to the NATO allies as part of the consideration of a possible NATO JSTARS Program based on the U.S. system.

The Committee directs that none of the additional funds may be obligated without prior consultation with, and notification to, the Committee. The Committee expects that the Assistant Secretaries of the Army and Air Force for Acquisition and the Under Secretary of Defense (acquisition and technology) will present a joint plan to the Committee for the proposed use of these funds and will inform the Committee on a regular basis as to the status of efforts to create a NATO JSTARS Program. The Committee also directs that no funds available to the Defense Department during fiscal year 1995 may be used to begin any NATO JSTARS development program without prior consultation with, and notification to, the congressional Defense committees.

National launch system.-Funds in this program element were sought to compile space launch requirements, develop and demonstrate existing space launch technologies, and conduct concept studies on future improvements to U.S. space lift capabilities.

The Committee notes that the Defense Department has just completed another major study of current and future national space launch capabilities, requirements, and technologies. The results of this study still are under review by the Pentagon's senior leadership. Until the Department can make fundamental decisions about its current and future space launch programs, the Committee concludes that the funds sought in this program element are unjustified.

The Committee denies the \$10,176,000 requested in this program element. The House allowance transferred these funds to the "RDT&E defensewide" appropriations account.

Submunitions.-The Committee allocates \$28,680,000, an increase of \$2,000,000 to the budget request, for this program element. The additional funds are provided to support activities to integrate the wind corrected munitions dispenser onto the B-52 bomber.

The House allowance approved \$12,680,000 for this program element.

Development planning.-This program element funds paper studies and analyses and acquisition milestone documentation. The Committee denies the budget request of \$9,959,000 since the Air Force has failed to provide sufficient timely justification for these activities. The House allowance denied \$2,459,000 of the request.

F-111 squadrons.-The Committee provides \$1,504,000, a reduction of \$9,515,000 to the budget request and the same amount below the House allowance. The Air Force reported that these funds are no longer needed to pay termination costs for the F-111 stores management system project.

F-16 squadrons.-The Committee endorses \$138,657,000, an increase of \$45,500,000 to the budget request, for this program element, which funds development of enhancements to the Air Force's primary multirole fighter aircraft. The funds are transferred to this program element from the "Aircraft procurement, Air Force" appropriations account, where they were incorrectly budgeted. The funds support developmental flight test and evaluation of operational flight program software modifications.

The Committee also directs the Office of the Secretary of Defense to make available to the F-16 Program not less than \$14,300,000 in fiscal year 1994 funds contained in the Follow-on Tactical Reconnaissance System Program element. Last year, the Congress directed that these and other funds, which were allocated originally for the terminated advanced tactical airborne reconnaissance system, be used to support F-16 development requirements. The Committee rejects the proposed reprogramming of these funds for other purposes and directs that the transfer to the F-16 Program be accomplished without further delay.

The House allowance provided \$56,057,000 for this program element.

F-15E squadrons.-The Committee recommends \$108,562,000, a decrease of \$8,000,000 to the budget request and the same amount below the House allowance, for this program element to fund development of upgrades for all variants of the F-15 air superiority fighter. Of the recommended reduction, the Air Force reported that \$4,000,000 no longer is required in fiscal year 1995 to obtain long-lead development items for the APG-63 radar upgrade project.

An additional \$2,000,000 was identified as excess to other known program financial requirements, and \$2,000,000 was budgeted to absorb expected congressional reductions. The Committee is happy to fulfill the Air Force's expectations.

The Committee also directs that no funds may be obligated for any activities promoted by the Eagle Vision F-15 improvement studies without prior consultation with, and notification to, the congressional Defense committees.

Manned destructive suppression.-This program element supports development of the systems needed to permit the F-15C aircraft to succeed the F-4G Wild Weasel as the Air Force's primary weapon to attack air defense radars and surface-to-air missiles. A 3-month delay in awarding the demonstration/validation contract in fiscal year 1994 permits the Committee to recommend a short postponement in initiation of the engineering/manufacturing development [EMD] contract. This postponement, from late fiscal year 1995 to early fiscal year 1996, will enable Congress to review the conclusions of an updated cost and operational effectiveness analysis and to assess any revised program plans based on the demonstration/validation phase results.

Thus, the Committee recommends \$37,422,000, a deletion of the \$1,000,000 in the budget request sought to begin EMD next fiscal year. The House did not reduce this program element.

Tri-service standoff attack missile [TSSAM].-This program element supports development of a family of highly survivable, conventional, stealthy cruise missiles which can be launched by aircraft well away from adversary air defenses. In the past, the program has enjoyed strong support from the operational commanders-in-chief.

The Committee recommends \$218,600,000, an addition of \$137,537,000 to the budget request. These funds are necessary to support the Air Force's proposal to restructure the program to reduce technical risks and production transition uncertainties. The funds will be used to obtain more missiles to support extended development flight testing.

The House allowance denied all funds for continued TSSAM development.

Tactical AIM (air-intercept) missiles.-This program element funds the Air Force's share of the joint program with the Navy to develop an upgraded short-range air-to-air missile, known as the AIM-9X. As it did with the Navy funding, the Committee agrees with the House recommendation to transfer funds requested in the separate service RDT&E Program elements to a consolidated program element under the authority of the Office of the Secretary of Defense. Accordingly, the Committee transfers \$26,944,000 from this program element.

Advanced medium range air-to-air missile [AMRAAM].-The Committee allocates \$59,015,000, a reduction of \$11,700,000 to the budget request and the same amount below the House allowance, for this program element. The Air Force identified these funds as no longer needed to support fiscal year 1995 activities due to emerging results of the cost and operational effectiveness analysis of technology development options.

Minimum essential emergency communications network [MEECN].-This program element finances enhancements to systems used to communicate with U.S. strategic nuclear forces. The Committee recommends \$34,195,000, a reduction of \$6,600,000 to the budget request. The funds are available due to termination of the dual frequency MEECN receiver [DFMR] project in favor of a less costly and complex modification of existing miniature receive terminals [MRT].

The MRT's will be installed in Air Force E-4B national command post aircraft and Navy E-6A take charge and move out [TACAMO] communications/command post platforms. The recommendation fully funds the \$8,800,000 needed to develop modifications for the MRT's and the \$14,100,000 needed in the high data rate project to adapt that capability to the MRT substitute.

The House allowance reduced this program element by \$5,000,000.

Air traffic control, approach, and landing system [ATCALS].-The Committee agrees with the Senate version of the National Defense Authorization Act for Fiscal Year 1995, which denied the \$7,566,000 sought in this program element for the military microwave landing system avionics project. The Federal Aviation Administration recently decided that the Microwave Landing System Program, with which the military avionics were supposed to interface, would be terminated, and that a global positioning system-based precision landing system would be developed.

The House allowance approved the budget request.

Titan space launch vehicles.-The Committee recommends \$153,396,000, a reduction of \$7,700,000 to the budget request, for this program element. The House allowance transferred all requested funds to the "RDT&E, defensewide" appropriations account.

The Air Force identified \$2,700,000 as excess to known funding requirements and \$5,000,000 as savings due to reduced overhead costs from a contractor facilities consolidation.

Arms control implementation.-The Committee allocates \$3,456,000, a decrease of \$3,000,000 to the budget request and the same amount below the House allowance, for this program element. Consistent with the Committee's recommendation about funding counterproliferation in the "RDT&E, defensewide" account, the action deletes funds sought for ill-defined counterproliferation efforts.

NAVSTAR global positioning system [GPS] (space and control segment).-The Committee recommends \$36,425,000, a decrease of \$14,700,000 to the budget request, for this program element. Denied are three new start upgrade projects which are unjustified in view of the Air Force's report that there are no major technological issues and problems with the NAVSTAR GPS satellite and ground control system.

The denied projects are: (1) \$3,100,000 for space sustaining tasks; (2) \$4,300,000 for mission operations support center software; and (3) \$7,300,000 for an operational control segment simulator and system integration laboratory.

The House allowance transferred all requested funds to the "RDT&E, defensewide" appropriations account.

Spacetrack.-The Committee provides \$53,196,000, increasing the budget request amount by \$18,800,000. The House allowance for this program element is \$15,800,000 below the Senate recommendation.

Within the additional funds, the Committee directs that \$12,100,000 shall be made available only to continue development of the advanced electro-optical system [AEOS], providing a much needed modernization and enhancement of the capabilities of the Air Force's Maui Space Surveillance Site [MSSS]. Furthermore, \$6,500,000 of the increase shall be made available only to acquire the instrumentation necessary to support the observations assigned to the AEOS telescope. Within this amount, the Committee directs that \$1,300,000 shall be available only to continue the development of an 81928192 Coude' spectrograph.

Recognizing the need for this telescope and the extreme challenge of developing a large telescope which can support the space object tracking and identification [SOTI] mission, the Committee believes an independent design review could ensure the successful deployment of AEOS. The Committee directs that experts within the National Aeronautics and Space Administration [NASA] Office of Space Science conduct an independent review of the AEOS design. The review should be led by the Director of the Space Geodesy and Altimetry Project Office. The Committee believes this review should concentrate on the ability of AEOS to perform the SOTI mission and should address such key requirements as tracking precision, jitter, alignment, telescope mirror maintenance procedures, and related subjects. The Committee directs that interim and final review results be provided to the Committee. Interim review results must be submitted not later than December 14, 1994, and final review results must be submitted by March 1, 1995. The Committee provides an additional \$200,000 which shall only be available for transfer to NASA to provide funds necessary to conduct this review. The Committee directs that this transfer shall occur within 30 days of enactment of this act.

Defense Support Program [DSP].-This program element supports efforts to maintain and improve the operations of the current system of DSP early warning satellites. The Committee allocates \$67,359,000 for RDT&E activities and transfers \$8,992,000 to the "Other procurement, Air Force" appropriations account. The Air Force requested this transfer to accelerate the initial operational capability of the Talon Shield/ALERT early warning capability against theater ballistic missile threats.

The House allowance transferred all requested funds to the "RDT&E, defensewide" appropriations account.

Threat simulator development.-The Committee provides \$45,664,000, an increase to the budget request of \$5,589,000 and an amount \$589,000 above the House recommendation.

The Committee deletes \$4,000,000 to slow the pace of upgrades to the Air Force electronic warfare evaluation simulator [AFEWES]. The Air Force may make substantial adjustments in its test and evaluation infrastructure, so accelerated modernization efforts are premature at this time.

The Committee adds \$9,589,000 to the budget request for the real-time electromagnetic digitally controlled analyzer and processor [REDCAP] project. The Committee directs that the full amount, \$16,589,000, shall be made available only to complete the option C upgrade of the REDCAP facility, to initiate the option E REDCAP upgrade; and to perform data reduction updates.

The Committee provides \$912,000, the budget request amount, only to continue activities under the Have Note Program.

The Committee also approves the requested amount, \$2,000,000, only to fully fund ongoing activities at the Rome Laboratory Antenna Measurement Facility.

Furthermore, the Committee is aware of proposals to consolidate threat hardware-in-the-loop electronic combat test facilities at a single site. Data linking, rather than moving, facilities could prove to be far more efficient and cost effective. Therefore, at least 120 days prior to the approval of any effort to consolidate, transfer, realign, alter, or downsize any mission or activity at any threat hardware-in-the-loop electronic combat test facilities, the Secretary of Defense shall provide to the congressional Defense committees a study clearly demonstrating that data linking is: (1) technically infeasible, or (2) less efficient and cost effective than consolidation.

RAND project Air Force.-The Committee agrees with the House recommendation to provide \$27,000,000, a reduction of \$1,039,000 to the budget request, for this program element, which funds the service's studies and analyses federally funded research and development center.

Range improvement.-The Committee approves \$5,101,000 to support combat training range systems and develop interoperability improvements. The amount provided represents a reduction of \$13,200,000 to the budget request and to the House allowance. The Committee eliminates \$13,200,000 requested to develop the joint air combat training system [JACTS]. The Air Force now plans to participate with the Navy in the joint tactical combat training system [JTCTS] development effort, which allows the JACTS Program to be canceled.

Major T&E investment; test and evaluation support.-The Committee approves \$52,530,000 for the Major T&E Investment Program element, a reduction of \$1,014,000 to the budget request and an equal amount below the House allowance. The Committee also recommends \$370,300,000 for the Test and Evaluation Support Program element, providing a decrease of \$3,076,000 compared to the budget request and the House allocation. All of the reductions are made to the request for the developmental manufacturing and modification facility [DMMF]. These funds support modernization and operation of the DMMF. The primary DMMF customer, the 4950th Test Wing has moved to Edwards Air Force Base. The Air Force intends to transition this facility to reliance on reimbursable customer funding, and the Committee's recommendation initiates this transition.

Navigation/radar/sled track test support.-The Committee recommends \$29,123,000, adding \$3,100,000 to the budget request and providing \$900,000 less than the House allowance. The Committee adds \$4,000,000 only to accelerate the modernization of the sled track at Holloman Air Force Base. The Committee denies \$900,000 sought to develop next generation pylons, an effort which has been proposed to the OSD Central Test and Evaluation Investment Program [CTEIP] for funding.

Initial operational test and evaluation.-In the past, \$6,300,000 was spent in this program element to develop an open air comparison test plan to evaluate whether the F-22's mission effectiveness is twice that of the F-15. Conducting these tests is estimated to cost \$71,000,000. The Committee directs that no fiscal year 1995 funds be spent to continue such test planning activities. The Committee directs the Air Force to prepare a report outlining the advantages and disadvantages of conducting this program, and carefully discussing the impacts on the overall F-22 test program of deleting this open air test requirement. The Committee urges the

Under Secretary of Defense (acquisition and technology) to consider deleting this requirement. While the test may provide some data, it is highly unlikely that the F-22 Program would be stopped or altered based on the outcome of these costly tests.

Manufacturing technology.-The Committee approves \$48,260,000, an amount \$46,740,000 below the House recommendation. While the Air Force did not request any funds in this account for manufacturing technology projects, \$58,260,000 was sought in a defensewide program element for efforts concentrating on Air Force needs. The Committee has transferred \$43,260,000 of these funds to this program element and provided an additional \$5,000,000 to support projects which were to be deferred under the budgeted level of OSD funding.

The OSD Manufacturing Technology Program element also included \$15,000,000 for three projects: Military production for commercial lines, manufacturing technology for multifunctional radomes, and design and manufacture of low cost composites-engine. The funds for these projects have been deleted as explained in the JAST Program discussion in the "Principal committee observations" section of this report.

Within the additional funds, the Committee directs that \$2,200,000 shall be made available only to continue the competitively awarded product data exchange using STEP [PDES] application protocols for composites project, referred to as PAS-C. This research effort is designed to develop the technology required to support digital exchange of design, manufacturing, and repair data for advanced composite components and assemblies.

KC-135's.-This program element funds activities to develop enhancements to the KC-135 aerial refueling tanker and other tanker systems. The Committee recommends \$17,160,000, an increase of \$12,000,000 to the budget request and an equal amount above the House allowance.

A total of \$9,000,000 is added and shall be made available only to continue development of the multipoint refueling upgrades, pods, and drogues to enable Air Force tankers to better support U.S. Navy and allied aircraft, most of which use the probe-and-drogue fuel on-load system.

Another \$3,000,000 has been transferred to the KC-135 refueling receptacles project from the "Aircraft procurement, Air Force" appropriations account, where it was inaccurately budgeted. These funds are to be used as planned for the engineering and manufacturing development effort to procure aircraft and system hardware, undertake trial installation and kit proofing, and obtain a reprourement technical data package and technical documentation.

The Committee directs the Air Force to obligate without delay the fiscal year 1995 funds and the \$5,578,000 approved by Congress for fiscal year 1994 for the multipoint project. The service also is directed to include full funding for development, procurement, and deployment of the capability in the fiscal years 1996-2001 Future Years Defense Program. The Committee directs the Air Force that the funds provided for the multipoint project are available for no other purpose. The service is directed not to reprogram any of these funds away from the multipoint project.

The Committee again finds itself compelled to question the Air Force's budget and military priorities in view of the service's reluctance to accomplish the multipoint program. The total cost of the program is about \$192,100,000, which the Committee notes is less than the probable price tag for about two advanced combat aircraft in the future.

The Committee is aware of the strong support expressed for the program by the Commander-in-Chief, U.S. Transportation Command [CINC USTRANSCOM], and by the current Chief of Naval Operations [CNO] when he was Commander-in-Chief of U.S. Naval Forces, Europe.

CINC USTRANSCOM stated that "joint operations and interoperability remain two of USTRANCOM's top priorities." He continued that "multipoint pods give the KC-135 aircraft the capability to refuel Navy/Marine Corps, allied air force, and Air Force fighter aircraft on a single sortie." The CNO, when he was at Naval Forces, Europe said "future Navy operations or contingencies involving normal strike package

sizes and normal ingress/egress profiles would greatly benefit from the KC-135 Multipoint Modification Program. The modification effectively reduces the time required for tanking by one-half, allowing more efficient, safer operations."

At a time when the drawdown of the American military to a smaller force structure requires more joint operations among all the services and with our allies, the Committee cannot accept the Air Force position. Air Force leaders claim they recognize these new joint requirements. The Committee directs that they allocate their budget dollars accordingly.

International activities.-The Committee approves \$1,910,000, a decrease of \$1,526,000 to the budget request and the same amount below the House allowance, for this program element. This program element funds Air Force participation in international fellowships, meetings, conferences, and technical exchanges. The recommendation limits funding for these lower priority activities to the current fiscal year level.

Advanced program evaluation.-The Committee recommends an increase of \$4,430,000 to this classified program element. The adjustment is addressed in the classified annex to this report.

Combined advanced applications.-The Committee recommends a decrease of \$12,960,000 to this classified program element. The adjustment is addressed in the classified annex to this report.

Airborne warning and control system [AWACS].-The Committee understands that the NATO AWACS Program Management Agency is considering possible upgrades to the NATO AWACS aircraft. The Committee directs that no funds may be obligated from this or any other Defense Department program element to contribute to a program for such upgrades, including studies, prior to consultation with, and notification to, the congressional Defense committees. This restriction also shall apply to any U.S. AWACS enhancements not currently part of the Block 30/35 and Radar System Improvement Program projects.

Air Force strike airpower requirements.-The Committee has received conflicting, incomplete, or uncertain information about the Air Force's future plans for heavy bombers, interdiction aircraft, and precision-guided munitions. The Committee directs that the Institute for Defense Analysis, a federally funded research and development center under the auspices of the Office of the Secretary of Defense, conduct a comprehensive review of Air Force strike airpower requirements, plans, and alternatives.

AN/ARC-222 radio.-The Committee understands that the Air Force may intend to simulate the operability of the ARC-222 radio on an F-16 fighter aircraft rather than conduct an operational test and evaluation of the system. The Committee believes that the service should successfully demonstrate that the radio meets all the appropriate F-16 flight worthiness, environmental, and interoperability requirements under actual close air support conditions before obligating funds for ARC-222 production.

The Defense Director of Test and Evaluation, in conjunction with the Air Force and Army, should develop test criteria to satisfy the Committee's evaluation requirements as stated above. The results of the testing should be forwarded to the Committee prior to the obligation of funds for ARC-222 production.

Future C-130 aircraft acquisition.-The Committee directs the Air Force to analyze C-130 aircraft fleet avionics commonality and standardization life-cycle costs in all evaluations of options for future C-130 aircraft acquisition. All options should include development, procurement, and operations and support costs with respect to the C-130/C-141 Autopilot Replacement Program. The Committee directs the Air Force to provide a report on future C-130 aircraft acquisition options not later than January 15, 1995.

High gear.-The Committee has been informed that the Air Force uses a process known as high gear to streamline acquisition in order to rapidly demonstrate or field an operational capability. The high gear project start-up guide states that, since high gear does not have a discrete funding line, candidate projects will be financed by reallocating resources from within an overall parent program or from external sources. Funding from major commands also may be used, and "if necessary, however, high gear projects will be initiated using program funds, and we'll (the Air Force) attempt to recover dollars later."

The Committee observes serious problems with this approach. First, there is the prospect for diverting development funds away from projects and purposes for which they were justified in a budget request and appropriated by the Congress. The Committee has repeatedly expressed opposition to such diversions. Second, the use of major command money raises the prospect of commingling RDT&E and operations and maintenance and procurement funds to accomplish RDT&E objectives. The Committee has been particularly critical of the Air Force for this practice in the past.

The Committee is aware of a proposal to use as much as \$30,000,000 in fiscal years 1994 and 1995 funds for a theater air defense development/operational demonstration which may duplicate functionally a previous operational concept demonstration. The funds identified for reallocation are in Air Force and Advanced Research Projects Agency program elements. Another \$10,200,000 in fiscal years 1994 and 1995 funds is being considered for a new smart weapons guidance enhancement project. Funding for these activities was not included in the original fiscal year 1995 budget request.

The Committee recommends deleting \$15,000,000 in fiscal year 1995 funds sought in the Air Force Theater Missile Defense Program element, since they are no longer needed for the originally requested purposes. Another \$15,000,000 has been recommended for deletion in the ARPA Experimental Evaluation of Major Innovative Technologies [EEMIT] Program element.

The Committee also directs that no funds available to the Defense Department during fiscal year 1995 may be obligated for any high gear activity, before prior consultation with, and notification to the Committee.

The Committee further directs that a separate High Gear Program element be established in the "Air Force RDT&E" account for the fiscal years 1996-2001 Future Years Defense Program, and that any proposed high gear activities be funded through this mechanism.

Metal fatigue monitoring.-The Committee understands that significant developments in the implementation of electrochemical monitoring of metal fatigue could substantially improve the maintenance and support of DOD aircraft. The Committee expects the Under Secretary of Defense (acquisition and technology) to review advances in this field, including programs sponsored by the National Science Foundation, and to evaluate how these technologies could be utilized by the Department of Defense.

#### CLASSIFIED ADJUSTMENTS

The Committee recommends incorporating the following additional adjustments to classified programs, as explained in the classified annex to the Committee's report:

[In thousands of dollars]					
Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Forest green	(1)	(1)	-500	(1)	(1)
Special activities	(1)	(1)	-115,900	(1)	(1)
Distant early warning [DEW] radar stations	2,608	2,068	-1,932	-4,000	-4,000

<sup>1</sup>Classified.

#### HOUSE ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:



[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Civil engineering and environmental quality	7,045	6,500	7,045		+545
Command, control, and communications	95,444	85,444	95,444		+10,000
Logistics systems technology	18,200	15,000	18,200		+3,200
Aerospace propulsion subsystems integration	29,941	21,941	29,941		+8,000
Advanced materials for weapon systems	19,900	21,400	19,900		-1,500
Personnel, training, and simulation technology	9,241	9,000	9,241		+241
Crew systems and personnel protection technology	16,600	17,700	16,600		-1,100
Space systems environmental interactions technology	4,200		4,200		+4,200
C <sup>3</sup> advanced development	9,925	10,925	9,925		-1,000
Advanced MILSATCOM	22,095		22,095		+22,095
Nuclear weapons support	5,637	3,637	5,637		+2,000
Night/precision attack	21,672	4,672	21,672		+17,000
Aircraft Engine Component Improvement Program	97,399	95,399	97,399		+2,000
MILSTAR LDR/MDR SAT COMM	607,248		607,248		+607,248
Armament/ordnance development	10,853	18,853	10,853		-8,000
Air base operability	9,580	5,606	9,580		+3,974
Systems survivability (nuclear effects)	2,786		2,786		+2,786
UHF satellite communications	20,879		20,879		+20,879
C-130J		5,000			-5,000
AF TENCAP	21,183	13,402	21,183		+7,781
USAF wargaming and simulation	19,110	14,110	19,110		+5,000
Mission planning systems	14,483	9,483	14,483		+5,000
Space subsystem technology		8,000			-8,000
Defense satellite communications system	30,876		30,876		+30,876
Information Systems Security Program	10,293	11,793	10,293		-1,500
Satellite control network	101,146	15,000	101,146		+86,146
Medium launch vehicles	21,042		21,042		+21,042
National airspace system (NAS) plan	30,980	20,980	30,980		+10,000
Upper stage space vehicles	3,663		3,663		+3,663
Defense Meteorological Satellite Program [DMSP]	21,135		21,135		+21,135
NCMC-TW/AA Systems	100,520	133,020	100,520		-32,500
NUDET detection system	10,140		10,140		+10,140
General reduction, university research		-92,000			+92,000

Civilian personnel pay raise and locality pay	7,700			-7,700
Civilian personnel understrength	-15,400	-5,972	-5,972	+9,428
Federal Workforce Restructuring Act		900	+900	+900

Offset folios 0 to 0-RDT&E, AIR FORCE insert here\*\*\*TABLE GOES HERE\*\*\*

#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSEWIDE

Appropriations, 1994	\$8,838,690,000
Budget estimate, 1995	9,416,855,000
House allowance	9,419,955,000
Committee recommendation	8,922,649,000

The Committee recommends an appropriation of \$8,922,649,000 for the defensewide research, development, test, and evaluation programs, a decrease of \$494,206,000 to the budget request. The recommendation is \$497,306,000 below the House allowance.

The budget activities and programs funded under this appropriation are discussed below.

#### COMMITTEE RECOMMENDED ADJUSTMENTS

In-house laboratory independent research.-The Committee provides \$2,368,000 to continue the basic research efforts conducted by the Uniformed Services University of the Health Sciences [USUHS]. The Pentagon requested no funds for this program and the House provided no allowance to continue these efforts.

Historically black colleges and universities and other minority institutions.-The Committee provides \$25,000,000, adding \$10,000,000 to the budget request. The Committee directs that these funds shall be available for other minority institutions as well as historically black colleges and universities. This direction reflects the Committee's longstanding intent regarding the use of these funds. Further, to remove any uncertainty, the Committee directs that tribal colleges shall be qualified to compete for these funds. The House provided an amount equal to the Senate allocation.

Focused research initiatives.-The Committee denies all funds sought to create a new program of basic research activities to be managed by the Office of the Secretary of Defense [OSD]. The Committee reiterates its view that OSD has adequate authority to improve the focus and direction of the \$1,225,199,000 in basic research funds requested in other service and defensewide program elements. The Committee supports OSD efforts to ensure that research investments address military needs but does not believe that establishing a new program is a necessary step. The Committee's action reduces the budget request by \$20,000,000. The House provided \$12,000,000 for these efforts.

University research initiatives.-This program element funds basic research activities in support of DOD's future needs. The "Principal committee observations" section of this report discusses Committee recommendations which affect this program element. In addition, the Committee approves an increase of \$20,000,000 for the Defense Experimental Program to Stimulate Competitive Research [DEPSCoR]. As a result of these recommendations, the Committee provides \$227,492,000, a decrease of \$5,000,000 compared to the budget request and \$7,500,000 versus the House allocation.

Defense research sciences.-The Committee approves \$90,706,000 for this program element which provides research funds to develop the fundamental technologies enabling new generations of military and commercial hardware systems. The Committee recommends a reduction of \$5,000,000 for the electronic sciences project to restrain the requested 41 percent real growth in these projects developing advance technologies for electronic and optical systems used in information processing. The Committee provides an increase of \$8,000,000 and directs that these funds shall be available only for the Environmental Education Opportunities Program to assist certain employees of the DOD and the DOE adversely affected by the

continuing drawdown. The Committee allocation is \$3,000,000 above the budget request and the House allowance.

Computing systems and communications technology.-This program element contains the funds budgeted by the Advanced Research Projects Agency [ARPA] to develop new generations of computers, supporting software, networking concepts, and communications capabilities. The Committee approves \$383,558,000, a reduction of \$36,050,000 to the budget request. The amount recommended is \$42,050,000 below the House allowance. The Committee's recommendation is composed of the following actions.

First, the Committee deletes \$3,900,000 for a simulation-based training initiative. These funds have been transferred to the Air Force which has ongoing training programs responding directly to the needs of military personnel. As discussed in the "Principal committee observations" section of this report, the Committee expects ARPA and the Air Force to work jointly on this project.

Second, the Committee has noted with interest certain focus areas within the ARPA High Performance Computing [HPC] Program. ARPA is investing over \$87,456,000 in prototype scalable systems, scalable image processing systems, information infrastructure, and high performance networking activities, within the \$357,400,000 of HPC-related ARPA investments. The requirements for these and other ARPA HPC efforts match exactly the capabilities under development at a recently formed high performance computing center established to concentrate on image information processing and other needs of the Department of Defense. Recognizing the need to leverage Federal investments and minimize duplication, the Committee directs that \$7,000,000 of the high performance computing project funds shall be made available only to the Maui High Performance Computing Center to allow this center to collaboratively support the HPC research and development efforts planned by ARPA in fiscal year 1995.

Third, consistent with the "Principal committee observations" encouraging greater cooperation between ARPA and the military services, the Committee recommends a joint program between ARPA and the Air Force's Rome Laboratory. The proposed effort would demonstrate decision support technology, including real-time mission planning, simulation on demand, three dimensional geographical information, real-time digital image transfer, and multimedia information utilities. The demonstration will rely on massively parallel computers and data bases interconnected by an existing prototype high speed optical fiber network. The Committee directs that \$7,000,000 of HPC project funds shall be made available to Rome Laboratory only for this cooperative demonstration.

Fourth, the Committee directs that \$7,500,000 shall be made available only to continue the Reuse Technology Adoption Program.

Fifth, the Committee transfers \$25,400,000 requested for counterproliferation programs to a new program element to be administered by ARPA.

Sixth, an increase to the budget request of \$1,750,000 is provided for the asset source for software engineering technology [ASSET]. The recommendation provides a total of \$3,750,000, the fiscal year 1994 amount, to continue ASSET activities and the Committee directs that these funds shall be made available only for ASSET.

Seventh, a reduction of \$11,500,000 is recommended in the manufacturing automation and design engineering [MADE] effort to hold the program to the fiscal year 1994 level. The requested funding increase would accelerate the development of technologies and processes for manufacturing electromechanical systems. These efforts would duplicate the flexible design and assembly of electromechanical systems [FDDAMS], a new start effort which the Committee has fully funded.

Eighth, an increase of \$6,000,000 is proposed for a competitive program to establish a metacomputing testbed as previously approved by the House. Consistent with language previously approved by the Committee, the testbed facility should be located in close proximity to and capable of supporting the considerable number of Defense Department and defense contractor organizations located in the Washington,

DC, region. Furthermore, the Department should explore a location for this facility that will meet the need for advanced training and research in the field of computational sciences and informatics.

Ninth, consistent with the principal Committee observations encouraging greater cooperation between ARPA and the military services, the Committee transfers the hybrid signal processing from the "RDT&E, Navy" account.

Finally, the Committee deletes \$3,000,000 requested in the Comprehensive Test Ban Verification Readiness Program for development and testing of advanced computing architectures, data management techniques, process automation, data security, and visualization tools. These efforts duplicate the projects and missions of the High Performance Computing Program.

The Committee has also learned of advances in computer-based, high-resolution, full-motion digital video that will serve as the enabling technology for the collection, processing, analysis, production, and dissemination of high-resolution, real-time, or recorded visual information. Components of such a system could include optoelectronic digital cameras, optoelectronic digital projectors, and high-performance digital video servers. The Committee urges ARPA to evaluate the merits of a development program pursuing computer-based, high-resolution, full-motion digital video, which might be appropriately funded within ARPA's core R&D program or the competitive Technology Reinvestment Program [TRP].

The Committee is aware of the Applied Information Management Institute [AIM] Multimedia Applications Resource Center, an initiative that could provide ARPA with a test environment to deploy advanced data retrieval and enhancement technologies and to present information over broad-band delivery systems with the added potential for interactive response. The proposal would broaden and upgrade the skill base in advanced technology necessary for the Omaha region to support the information technology requirements of the U.S. Strategic Command and Offutt AFB, NE, and would fill a historic underrepresentation in the Northern Plains. The Committee urges the Defense Department to evaluate the merits of this proposal and to provide the resources to fund this effort on a cost-shared basis.

DOD counterproliferation initiative.-The Committee provides \$80,000,000 to initiate a coordinated research and development program which adapts existing defense technologies and, where necessary, develops new technologies to provide the United States with the ability to detect, monitor, and deter the proliferation of weapons of mass destruction. The Pentagon did not seek funds for this new program initiative and the House did not make a similar recommendation.

The Committee believes these funds can most efficiently and expeditiously be administered by ARPA. Consistent with action already taken by the Senate, the Committee directs that these funds shall only be obligated for projects specifically approved by the Joint Committee for the Review of Counterproliferation Programs. The Committee directs that the Department of Defense provide the congressional committees on Defense with a plan outlining the use of these moneys prior to obligation of any funds.

Tactical technology.-Projects to develop advanced military concepts for land vehicles, ships, aircraft, and missiles are supported within this program element. The Committee allocates \$101,243,000 for these programs, decreasing the budget request by \$10,100,000. The Committee recommendation is \$25,100,000 below the House allowance.

First, the Committee adds \$7,000,000 to continue ARPA's research efforts conducted through the Center of Excellence for Research in Ocean Sciences [CEROS].

Second, the Committee deletes \$10,000,000 from the Operations Other Than War [OOTW] Program allocated to a new start Demining Program. The budget request was not built based on a defined program. The Army has significant ongoing efforts in this area. Consistent with the "Principal committee observations" discussion, the Committee directs ARPA to work with the Army to ensure that the existing Army programs take full advantage of all available defense technologies.

Last, the Committee deletes \$7,100,000 sought to conduct interim demonstrations of simulation-based design [SBD]. The Committee has provided \$8,600,000 to initiate SBD prototype development. These costly interim demonstrations are not justified until SBD prototype development proceeds.

Integrated command and control technology.-The Committee provides \$67,950,000, the budget request amount, to continue pursuit of new display concepts and demonstration of display manufacturing technologies. The House allocation is \$25,000,000 above the Senate recommendation. The Committee believes that display technology programs are more than adequately funded when the fiscal year 1995 funds are combined with the supplements provided by the recent DOD reallocation of Defense Production Act [DPA] funds and the ongoing focused Technology Reinvestment Program [TRP] competition.

The Committee directs that within the funds available for the flat panel display initiative and the ARPA core display technology development program, \$15,000,000 be provided only for the development of next generation, monochrome, multicolor, and full color flat panel displays using thin film electroluminescent [TFEL] and active matrix [AMEL] electroluminescent technology.

Materials and electronics technology.-The programs in this account support a broad spectrum of defense-related needs ranging from combat casualty care to high temperature superconductors for future DOD electronic devices. The Committee approves \$242,853,000, an increase of \$18,025,000 to the budget request and of \$1,025,000 to the House allowance.

Of the additional funds, the Committee directs that \$17,000,000 shall be made available only to complete ARPA's development of a metal matrix composite model factory.

ARPA again proposed initiating a process synthesis effort to develop advanced manufacturing technologies for the semiconductor industry. The Committee believes that this project is more appropriately suited to the mission and objectives of the Sematech consortia program. Sematech develops long-term semiconductor manufacturing efforts for both military and civilian applications. Also, its members are the companies that supply the majority of the integrated circuits used in defense systems and participate on a cost-sharing basis. Therefore, the Committee deletes \$11,100,000 budgeted for the process synthesis project and transfers these efforts to Sematech.

The Committee has included an increase of \$4,125,000 only to continue the microballoon technology demonstration project. The Committee directs ARPA and the Air Force to establish a memorandum of agreement to guide the use of these funds and to ensure the transition of this technology to the Air Force in future years.

The Committee has also provided an increase of \$8,000,000 which shall be made available only to continue ARPA development of chemical vapor deposition [CVD] diamond.

The Committee has provided the requested funds for ARPA medical programs. The Committee notes that the Army also has an ongoing telemedicine demonstration and technology development effort which utilizes the unique facilities and capabilities of the Tripler Army Medical Center. Under the Akamai Program, emerging telemedicine concepts are being developed and demonstrated in the Pacific region where these efforts can provide reduced costs and improved access to care for military personnel deployed to remote Pacific locations. Furthermore, as the only acute care facility serving all three services in Hawaii and the Pacific basin, Tripler is required to provide the full spectrum of medical care services to patients throughout the region.

The Committee notes the potential benefits of linking many of ARPA's current and planned medical efforts to the ongoing Army Akamai telemedicine project. The Committee directs ARPA to establish a memorandum of agreement [MOA] with the Army outlining areas of cooperation between the two programs. The Committee directs that no more than two-thirds of ARPA's fiscal year 1995 medical program funds may be obligated until the Committee has received the required MOA.

Last, the Committee is aware of a newly developed technology which provides a noninvasive, three-dimensional imaging capability for physicians. The multiorgan diagnostic imagery screening technology promises to improve our ability to diagnose conditions in the early stages when the prospects for successful preventive care are much greater. The Committee encourages ARPA and the Army to jointly evaluate the merits of establishing a clinical test bed program to evaluate the potential of this concept to reduce the cost and increase the quality of health care. Further, the system could alter the way the military approaches combat casualty care. The diagnostic system must be miniaturized to meet the mobility requirements of the battlefield medical support teams. The Committee believes this technology may be an ideal candidate for Technology Reinvestment Program [TRP] funds and urges ARPA's careful review of this new concept.

Rapidly deployable hospital module.-Many of ARPA's medical technology efforts are focused on combat casualty care, especially learning quickly of battlefield wounds and injuries, so medical care can be provided during the critical early moments. A missing link in these efforts is a concept for providing accessible, hospital-class care for serious wounds. The Committee is aware of a proposal to develop a self-contained, rapidly deployable hospital module which could be lifted by helicopter to the location where critical medical care is required. The proposed module contains all the systems and support necessary to provide hospital-type treatment capabilities, including an airlock to maintain a sterile environment. These modules could be linked to provide greater medical treatment capacity in a more stable setting. Beyond the theater and battlefield, these systems could be important tools for responding to disaster, providing onsite treatment for accident victims, or serving law enforcement needs in crime situations. The Committee urges ARPA to fully evaluate the utility of these modules and to consider the merits of developing a prototype system to aid consideration of this concept.

Defense Nuclear Agency [DNA].-The Committee recommends \$221,978,000, a reduction of \$10,000,000 to the budget request and an amount which is \$9,000,000 below the House allowance, for this program element. The decrease reflects the results of the congressionally mandated study by the RAND Corp. of DNA functions. That study concluded that, over time, DNA probably could save at least \$20,000,000 annually by improving its efficiency in contract management and related activities. The Committee recommendation is intended to encourage DNA along the path of achieving these cost savings.

The Committee directs that, of the funds provided, \$3,000,000 shall be made available only to continue ongoing high-risk interdisciplinary research in bioenvironmental hazards.

Joint DOD-DOE munitions technology development.-The Committee provides \$19,496,000 to continue at the fiscal year 1994 level this program which cooperatively develops and applies technologies to enhance the lethality of DOD conventional weapons. The amount approved is \$5,081,000 above the budget request and \$4,919,000 below the House level.

Experimental evaluation of major innovative technologies.-This program element contains a broad mix of projects seeking to apply ARPA technologies and program management skills to current and anticipated military needs. The Committee approves \$493,164,000, a reduction of \$116,167,000 to the budget request and an amount \$156,653,000 below the House allowance. The Committee's recommendation reflects the following specific adjustments:

(a) \$7,000,000, the budget request amount, is approved for the Speakeasy Program, and the Committee directs that these funds shall be made available only to continue development of the Speakeasy multifrequency radio;

(b) \$5,600,000 is deleted from the integrated product and process design effort; ARPA officials indicated that they no longer plan to complete the activities which formed the basis of the budget request;

(c) \$1,600,000 is added to the ARPA Mountain Top Program, and the Committee directs that these additional funds shall be used only to acquire the data storage and retrieval equipment which is necessary to permit the experiment data to be stored and processed using the supercomputing capabilities of the Maui High Performance Computing Center;

(d) \$7,500,000 has been deleted from the guidance technology project for phase II global positioning system guidance package [GGP] efforts to transfer these activities as discussed in the "Principal committee observations" section of this report;

(e) \$3,000,000 is denied for a new start Common Grid Program, so ARPA can investigate the possibility of exploiting already developed technologies before initiating a duplicative program;

(f) \$4,000,000 of the battle management initiatives funding is deleted to reduce the request for this new start effort until ARPA better defines the objectives and requirements for simulating early entry scenarios;

(g) \$8,000,000 sought for undefined efforts to develop instrumented real systems is denied;

(h) \$3,100,000 is deleted from the synthetic forces project to hold this program to the fiscal year 1994 level, since ARPA officials indicated that decisions are still being made on how to represent certain semiautomated forces, eliminating the need to provide 20 percent real growth;

(i) \$4,800,000 is deleted from the synthetic environments project because portions of the requested increase in funding will be devoted to generating computer terrain for Germany, an unlikely battleground of the future;

(j) \$8,500,000 is cut from the command and control information system effort, since ARPA deferred this program through a fiscal year 1994 reprogramming action, reducing the need for fiscal year 1995 funds;

(k) \$23,200,000 is eliminated for the low-cost radar program which ARPA has completely revised relative to the effort originally presented to Congress, raising questions about the need for, and commitment to, this effort on the part of ARPA;

(l) \$4,800,000 requested for unspecified new start efforts within the internetted unattended ground sensors [IUGS] project is deleted;

(m) \$20,104,000 is eliminated for the advanced short takeoff, vertical landing [ASTOVL]/conventional takeoff and landing [CTOL] common affordable lightweight fighter project as discussed in the "Principal committee observations" section of this report;

(n) \$8,000,000 which was identified as excess to firm program requirements is deleted from the Warbreaker Critical Mobile Targets Program;

(o) \$4,700,000 is shifted to the Air Force to effect the cooperative completion and transition of the multisensor target recognition system [MUSTRS];

(p) \$15,000,000 is deleted for recently defined demonstration efforts which are discussed elsewhere in the classified annex to this report;

(q) \$19,000,000 is added only to continue the Army virtual brigade project;

(r) \$20,463,000 is eliminated from the request for other classified programs as discussed in the classified annex accompanying this report; and

(s) \$4,000,000 is added only to continue the large millimeter telescope [LMT] effort begun in the previous fiscal year.

Regarding the Speakeasy Program, the Committee directs that the Army and Navy also fully fund their Speakeasy activities at the respective budget request amounts.

With regard to the proposed instrumented real systems effort, this activity represents an area for greater cooperation between ARPA and the military services as outlined in the "Principal committee observations"

section of this report. The Committee is concerned that, in proposing this program, ARPA has not fully evaluated other force instrumentation systems which exist or are in development. The Committee directs that the Director, Defense Research and Engineering prepare a report identifying all instrumentation systems under development throughout the Department of Defense for either test and evaluation, simulation, or research and development purposes. The report should outline the capabilities of the systems, the funds spent to date, the total development cost, the procurement cost, and planned quantities. The report should be provided to the congressional defense committees no later than March 1, 1995.

Of the funds deleted for the internetted unattended ground sensors [IUGS] project, \$1,500,000 has been transferred to an Air Force precision air drop capability project. These funds will allow ARPA and the Air Force to work together to achieve mutual goals by adopting the best ideas of each organization.

The Committee is also aware of emerging concepts in advanced marine propulsion. This technology was competitively selected under the TRP Program. ARPA should keep the Committee informed on the progress made under this program.

Last, the Committee is concerned about the degree of coordination and cooperation among the services and ARPA on the development of automatic target detection and recognition [ATD/ATR] computer software tools. The Committee supports the Army, Navy, and Air Force initiatives to explore the application of ATD/ATR technologies to DOD reconnaissance/surveillance systems such as the Joint STARS aircraft. The Committee urges ARPA to work more closely with the Army, Navy, and Air Force to define a coordinated plan for developing and demonstrating ATD/ATR technology.

Physical security equipment.-The Committee approves \$19,809,000 to continue development of equipment which can be used to protect DOD weapons and installations. The total amount recommended reflects a reduction of \$1,600,000 to the budget request and a decrease of \$5,079,000 compared to the House allowance. The denied funds were sought to procure the security exercise evaluation system [SEES] for all Air Force users. This activity should not be funded in the "RDT&E" account.

Defense reinvestment [OSD].-The funding requested in this program element supports two activities. First, DOD sought \$45,000,000 to continue the Mentor Protege Program. The full budget request for this program has been transferred from the "Research, development, test, and evaluation, defensewide" account to the "Procurement, defensewide" account.

Second, the Committee deletes \$61,600,000 sought by DOD to provide cost sharing or matching funds for DOD laboratories to participate in or initiate defense conversion efforts similar to the ARPA Technology Reinvestment Program [TRP]. DOD indicated that 80 percent of these funds would go to industry, which mirrors the way DOD labs manage the R&D funds requested in respective service program elements. Furthermore, DOD labs are partners in a significant portion of the awards made under the ARPA TRP Program. Based on this information, the Committee is reluctant to provide funds to initiate yet another conversion-related program, further taxing valid service and defensewide programs to allocate funds for this effort. The Committee denies the full request.

These recommendations delete all requested funds from this program element. The House also deleted all funds in this account, transferring the funding to a new conversion account.

Defense reinvestment [ARPA].-The Committee approves \$625,000,000, the requested amount, for defense reinvestment programs. The House transferred the requested funds to a separate defense conversion account. The "Principal committee observations" section of this report contains specific recommendations affecting the execution of these funds.

The Committee directs that these funds shall be available only for the following specified activities and in the indicated amounts: (a) \$245,000,000 for dual-use technology partnerships; (b) \$105,000,000 for commercial-military integration partnerships; (c) \$80,000,000 for regional technology alliances; (d) \$30,000,000 for advanced manufacturing technology partnerships; (e) \$35,000,000 for agile manufacturing/enterprise integration; (f) \$30,000,000 for advanced material partnerships; (g) \$25,000,000



for defense manufacturing engineering education programs; (h) \$10,000,000 for the United States-Japan Management Training Program; (i) \$25,000,000 for manufacturing extension; and (j) \$40,000,000 for MARITECH.

The Committee is aware of a proposal to pursue development and demonstration of technologies which could support a future magnetic levitation transportation system. The proponents of this project indicate that many of the needed technologies can also support a wide range of defense applications. The Committee urges ARPA to carefully evaluate the proposed technology research efforts and to consider allocating \$2,000,000 for these activities.

Small business defense conversion guaranteed loans.-In accordance with action approved by the full Senate, the Committee establishes a new program element and provides \$27,400,000 to provide an increase in the funds available to the Small Business Administration to back loans for small business which have been involved in defense programs or otherwise affected by the decline in defense spending. The budget request did not include these specific funds and the House did not allocate funds for this purpose within the "RDT&E, defensewide" account.

Manufacturing technology [OSD].-The DOD budget request for this program element included funds for Army, Navy, Air Force, and Defense Agencies programs to reduce the cost and improve the procedures used to manufacture military products. The Committee's action transfers the funds sought for service-specific efforts into program elements within the respective service RDT&E accounts. The Committee approves \$21,900,000 within this program element for the projects planned by the Defense Logistics Agency. This action reduces the budget request for this program element by \$75,157,000 while providing \$21,900,000 more than the House recommendation.

The Committee notes that DOD continues to produce and publish plans which highlight projects requiring far more funds than requested in the President's budget. In the current environment, every single DOD program could develop a plan to spend more funds than can be provided within a fiscally constrained budget. The Committee directs that none of the funds available to the Department of Defense may be used to develop, publish, or disseminate program plans which endorse a level of funding for manufacturing technology programs in excess of the amount requested in the DOD future years defense plan.

The Committee restates its support for the ongoing Generalized Emulation of Microcircuits [GEM] Program. The Committee understands that this program should be able to successfully compete for as much as \$5,000,000 in fiscal year 1995 funds. The Committee's recommended funding level should provide adequate resources to permit the GEM Program to continue under a competitive award process.

The Committee directs that the fiscal year 1996 budget request for manufacturing technology funds be supported by a firm rationale for all proposed efforts. Initially, manufacturing technology programs were proposed to reduce the cost and time required to manufacture specific parts for DOD weapon system production programs. In this manner, each project was generally required to prove that the Pentagon would save money on production, effectively paying back the manufacturing technology project investment.

However, the fiscal year 1995 manufacturing technology budget request includes funds for projects such as developing a new composite tail for the C-17 aircraft. While having merit, it is not clear that the manufacturing technology budget was intended to develop product improvements outside the existing R&D Program and in advance of the production program.

Finally, some now advocate the concept of establishing centers in selected manufacturing technology disciplines. These centers represent a costly, enduring investment for DOD. It is not clear how the effectiveness of these centers will be measured. In the past, DOD has provided funds to the National Center for Manufacturing Sciences [NCMS]. In this case, DOD has only one voice within a committee which decides how these funds are spent. One independent review concluded that defense needs played little or no role in the investment decisions. Over 90 percent of the projects were performed by NCMS member companies. However, only 5 percent of the participating members are defense contractors. The Committee has not provided funds to continue DOD support of NCMS.

Strategic Environmental Research and Development Program.-The Committee has provided the requested level of funding for the Strategic Environmental Research and Development Program [SERDP]. The Committee notes that this recommendation allows DOD to continue all current SERDP projects and provides a small amount of funds to begin new projects during fiscal year 1995. The Senate recommendation is \$15,000,000 above the House allocation.

The Committee commends DOD for developing a plan which will allow the SERDP Program to be determined in advance of the budget request. The Committee is convinced that this approach will ensure that SERDP funds are concentrated on the Pentagon's highest priority projects. The Committee believes any increases to the fiscal year 1995 SERDP request could easily result in the funding of duplicative, lower priority projects which were not important enough to be included in the budget request. The Committee believes that the ongoing SERDP planning process should continue concentrating on identifying the highest priority projects for fiscal year 1996 funds.

Cooperative DOD/VA medical research.-This program supports collaboration between the DOD and the Veterans Administration on medical research projects of interest to the military community. The Committee appropriates \$20,000,000 for continued activities in the coming fiscal year to continue this joint Medical Research and Development Program at the previous year's level. The administration requested no funds for this program, and the House provided \$30,000,000.

The Committee notes that diabetes is a chronic and often fatal disease affecting more than 13 million Americans. Some estimates indicate that at least 15 percent of veterans admitted to Veterans Administration [VA] hospitals suffer from diabetes. The Department of Veterans Affairs reportedly spends 14 percent of its medical care budget on direct care of patients with diabetes. The Committee recommends that the two departments consider augmenting diabetes research and pursue public/private partnerships in this area.

Manufacturing technology [ARPA].-ARPA pursues the development and integration of new electronic device technologies as well as the manufacturing processes needed to produce these components within this account. The Committee allocates \$333,154,000, decreasing the budget request by \$12,975,000, and reducing the House allocation by \$78,075,000. The specific actions recommended by the Committee are detailed in the following text.

First, a reduction of \$5,000,000 is made in the request for microelectromechanical [MEMS] components and systems. The request of \$25,000,000 basically represents a new start which concurrently demonstrates the uses of MEMS, develops MEMS manufacturing processes, and invests in manufacturing infrastructure. In addition, the ARPA budget also includes \$7,800,000 for MEMS basic technology efforts. The Committee believes that the infrastructure project is premature until the basic technology, manufacturing process, and demonstration investments proceed.

Second, a decrease of \$24,475,000 is recommended to defer the microwave and analog front end technology [MAFET] project. MAFET is a 5-year program which serves as a follow-on to the Microwave and Millimeter Wave Monolithic Integrated Circuits [MIMIC] \$600,000,000 Program. MAFET will focus on design environment tools, component development processes, and bench•mark•ing demonstrations. ARPA has multiple efforts concentrating on electronic device design tools, and ARPA officials admitted that these tools can be adapted to microwave device design. Further, officials indicated that today's technology satisfies the needs of virtually all DOD systems still in development such as the F-22, the ground-based radar, and the Aegis radar upgrade. Lacking firm requirements and planned transition opportunities, the Committee finds it difficult to support initiation of a program which will cost over \$265,000,000 through 1999.

Third, the Committee approves an increase of \$4,000,000 and directs that these funds shall be made available only for the continuing projects conducted at the Institute for Advanced Flexible Manufacturing Systems and managed by the National Center for Manufacturing Sciences [NCMS].

Fourth, \$12,300,000 sought to begin a Dual Use Reconfigurable Factory Program is eliminated. This effort is more appropriately funded within defense conversion since its primary focus is to develop the

processes needed to support flexible, efficient manufacture of a range of electric motors for electric automobiles, trucks, and buses.

Fifth, \$1,700,000 is deleted from the interferometric fiber optic gyroscope manufacturability project. These funds were identified as excess to firm program requirements.

Sixth, the Committee urges ARPA to continue evaluation of a new process for a multichip module [MCM] fabrication and test system utilizing a low-cost desktop programming product which includes electronic design automation, standardized interconnection substrates and module packaging elements, and silicon function cells. The Committee provides an additional \$1,500,000 only to support this new process.

Seventh, the Committee directs that \$2,200,000 of the funds provided are available only to continue the Coronary Angiography Program.

Finally, the Committee adds \$25,000,000 to the ARPA request for advanced lithography as previously approved by the Senate. Within the additional funds, the Committee urges ARPA to allocate the funds necessary to fully fund the Microlithographic Mask Development Program.

Advanced simulation.-The Committee notes the development work done on the Army National Guard/ARPA advanced simulation project which uses advanced training technologies to improve the National Guard's readiness as well as to provide technologies that could be used by other DOD personnel and in the private sector. The Committee recommends \$30,937,000, an increase of \$10,000,000 to the budget request and the House.

Semiconductor manufacturing technology.-The Committee provides \$90,000,000, the budget request amount, to continue support for the consortium of semiconductor manufacturing companies known as Sematech. Within the amount provided, the Committee urges Sematech and ARPA to work together to fund a proposed initiative called process synthesis. ARPA's goals for this effort are to revolutionize the semiconductor industry by providing a ten-fold reduction in manufacturing development nonrecurring engineering and development time while offering a systematic approach to manufacturing process design. The technologies to be developed and demonstrated match well with the objectives and missions of the Sematech consortia. The Committee strongly urges that a portion of ARPA's Sematech funds be devoted to initiating this program which could improve the capability and competitiveness of U.S. semiconductor manufacturers.

Finally, the Committee applauds Sematech's recent decision to no longer seek Federal funds. With this decision, Sematech has become a model for all consortia which may follow. Sematech was created to address the declining market share of the U.S. semiconductor industry. Through a combination of factors, including the positive efforts of Sematech, the United States has reversed the declining market share trend. Also, Federal investment in semiconductor technology has increased. Critical problems in the future may continue to merit the creation of consortia. However, these consortia should solve the problem and disband after a period of time, freeing up resources to address other priority challenges facing this Nation.

Electric vehicles.-Demonstrations underway in the ARPA Electric Vehicle Program have helped to define the current capabilities of electric vehicles and outline areas requiring future investment to meet military and civilian needs. The Committee provides \$15,000,000, the same amount previously approved by the Senate and an increase of \$5,000,000 over the House allowance. The Defense Department did not request funds to continue this program.

Advanced concept technology demonstrations.-The Committee provides \$19,000,000 for the recently approved advanced concept technology demonstrations [ACTD's]. The Committee reduces the budget request by \$31,000,000 to eliminate funds for ACTD's which are not approved and may be premature until the Pentagon and the Congress have had the opportunity to evaluate the results obtained from the initial investments in this new acquisition strategy. The House denied all funds for this program.

The Committee understands that the Office of the Secretary of Defense only recently approved an ACTD focused on improving countermining capabilities for amphibious operations. The Committee has received

insufficient information to allocate funds for this initiative. However, the Committee urges OSD to provide additional details as to the military objectives, cost, schedule, technical risks, and relationship of this initiative to other ongoing countermining activities. Should sufficient information be forthcoming, the Committee will consider whether to allocate funds for this project later during the budget process.

**High Performance Computing Modernization Program.**-The Committee has provided the full budget request amount of \$183,048,000. The House allowance is \$130,000,000 below the Senate recommendation.

The Committee urges the Department of Defense to carefully evaluate a proposal by an existing consortium to develop a network of smaller computers that can perform as a single large supercomputer. Such a project could accelerate the investigation and usage of clustered, distributed high performance computing [HPC] systems as collocated, cost-effective, useful supplements to the large-scale, mature HPC systems previously installed under this program.

**Joint Wargaming and Simulation Management Office.**-To continue efforts to establish standards and support the cost-effective adoption of simulation technologies by the services, the Committee allocates \$55,003,000 for programs of the Defense Modeling and Simulation Office [DMSO]. The Committee action proposes the following reductions: (a) \$500,000 for excessive office support growth; (b) \$1,500,000 for STOW-E and tri-service medical demonstration readiness initiatives; (c) \$3,005,000 for interoperability simulation activities which should be completed within the increased funds allocated for the Tech Center; (d) \$2,435,000 for projects which seek to support the unfunded advanced amphibious assault vehicle [AAAV] project; (e) \$975,000 for FASTPROP atmospheric modeling software which will force DOD to adopt an experimental protocol data unit [PDU]; (f) \$699,000 for manufacturing testbed efforts which duplicate multiple ARPA projects; and (g) \$4,000,000 allocated for 1995 new starts in the areas of medical, test and evaluation, and education and training. The new start areas highlighted in the final reduction represent a dilution of the DMSO mission until the substantial challenges of reaching agreement on synthetic environments and computer generated forces can be achieved.

The Committee's recommendation is \$13,114,000 below the budget request, but \$26,886,000 above the House allowance.

**Rocket Motor Demilitarization Program.**-Within this program, DOD has developed and demonstrated several approaches to disposing of rocket motors in an environmentally conscious manner. The Committee, like the House, recommends \$4,500,000 to continue exploring the use of the Nevada test site for disposal and recovery of rocket motor propellants and other explosive materials. The budget request did not include funds for these activities.

The Committee is concerned about the Department of Defense's failure to develop a plan for disposal of rocket motors, ammunition and other explosives. Pentagon officials characterize the growing inventory of rockets and ammo as a serious problem. However, after spending millions of dollars to demonstrate environmentally conscious disposal methods which include recovery and reuse of propellants, DOD has not budgeted any resources to implement a disposal solution. DOD officials expressed concern in the past about current procedures such as open or contained burning, which only create new environmental problems.

The Committee directs the Director for Defense Research and Engineering [DDR&E] to prepare a report on this matter. The report should identify all the numbers and types of items, and the corresponding propellant/explosive quantity, which DOD has declared surplus. An analysis of the cost and implications of storing these materials should be included in this report. The report should detail all ongoing and planned disposal actions, noting the items to be destroyed and the disposal procedure. Finally, the report should briefly outline the disposal options, providing an analysis of the cost of each option and a discussion of the advantages and disadvantages of each option. Finally, the report should outline DOD's long-term plan for disposal of rocket motors, ammunition, and other energetic materials.

**Advanced Sensor Applications Program.**-As stated in the "RDT&E, Navy" section of this report, the Committee agrees with the House recommendation to transfer funds requested by the Navy for nonacoustic

antisubmarine warfare to this program element. The total provided in this program element for this independent activity is \$32,115,000.

**AIM-9 Consolidated Program.**-In their respective RDT&E budget requests, the Air Force and Navy sought funds to pay their separate shares of the joint program to develop an upgraded short-range air-to-air missile, known as the AIM-9X. As stated in the "RDT&E, Navy" and "RDT&E, Air Force" sections of this report, the Committee agrees with the House recommendation to transfer these funds to this consolidated program element under the authority of the Office of the Secretary of Defense. The total provided in this program element is \$49,320,000.

The Committee commends the efforts of the principal Deputy Under Secretary of Defense (acquisition and technology) and the Assistant Secretary of the Navy (research, development, and acquisition), and their respective staffs for their responsiveness in addressing the Committee's position about potential international participation in the AIM-9X Program. The Committee appreciates the support by the other congressional defense committees of its position, now adopted in the Pentagon's AIM-9X acquisition strategy, that AIM-9X alternatives from allied nations be considered for meeting U.S. Navy and Air Force requirements.

**NATO research and development.**-The Committee approves \$35,290,000, a decrease to the budget request of \$24,950,000. The House allowance is \$15,050,000 below the Senate. The Committee recommends the following decreases in the requested program: (a) \$3,000,000 for unspecified cooperative opportunities; (b) \$7,500,000 for the tandem rider/Goodwood project which duplicates an acquisition program terminated by the Army for affordability and priority reasons; (c) \$3,500,000 for a premature effort to develop an F-18E/F radar upgrade [RUG]; and (d) \$10,950,000 for the new start projects which are not supported by agreements and allied cost sharing or which are poorly justified given ongoing U.S. development efforts. The reduction for new start projects defers the following efforts: fighting vehicle propulsion technology using ceramic materials; helmet mounted display; rapid deployment electro-optical system; ship defense cooperative engagement capability [CEC]; and the space surveillance experiment module.

**Innovative Environmental Security Technology Systems Program.**-The Committee recommends \$35,000,000 for this new effort to demonstrate promising environmental technologies. The proposed funding level provides \$20,000,000 more than was requested in the budget and an equal increase over the House allowance.

The Committee deletes \$9,000,000 for unspecified demonstration program awards. The recommended funding level provides \$6,000,000 to develop program implementation plans and to initiate project activities.

The Committee adds \$18,000,000 and directs that these funds shall be made available only to the Office of Environmental Security for a competitive, cost-shared, near-term Climate Change Fuel Cell Program. Procurement, project management, and contract administration responsibility should be delegated to the Department of Energy's Morgantown Energy Technology Center, the lead Federal agency in the development and commercialization of stationary fuel cell powerplants, in coordination with the National Defense Center for Environmental Excellence, which will provide manufacturing technology, environmental, and testing expertise in support of the program. To achieve a workable cost-shared program that ensures significant private sector participation, the Committee directs the Federal contribution not exceed the lower of \$1,000 per kilowatt or one-third of the total project costs, which includes unit cost, installation, and precommercial operation. Eligible powerplants must be manufactured in the United States, with priority consideration being given to powerplants planned for DOD installations.

The Committee recommends an increase of \$4,000,000 only to evaluate and certify bioremediation technologies which meet environmental restoration requirements. The Committee understands that various DOD installations have utilized bioremediation to address soil contamination problems. The Committee believes these technologies may offer a lower cost, more expeditious means to correct contamination, versus more traditional soil excavation techniques. The Committee is concerned that uncertainty over bioremediation technology has resulted in increased costs and delays in implementing this solution for contamination cases. The Office of Environmental Security shall execute a test, through competitive solicitation, of bioremediation technology at not less than four installations in the United States, to determine

whether this technology can meet DOD, EPA, State, and local environmental standards. The Office of Environmental Security shall report the results of these tests, and certify to the Committee the utility of successful techniques, not later than August 1, 1995.

The Committee has also provided an additional \$3,500,000 and directs that these funds shall be available only to conduct a demonstration of the Terra-Vit hazardous waste treatment technology. The demonstration should be completed at an EPA-permitted facility in the State of Hawaii. This effort could provide a solution to the treatment and disposal of hazardous waste in Hawaii which must now be shipped to facilities in the continental United States at a substantial cost to DOD.

Last, the Committee directs that \$3,500,000 of the added funds shall be used only to complete the Natural Gas Liquefier Program which was previously approved by the Congress.

The Committee notes that the Department of Defense's new environmental security programs include provisions to promote the development of dual-use environmental technologies, including the field testing and certification of new environmental technologies that will result in faster, cheaper, and more effective cleanup; less cost in complying with environmental, safety, and health laws; more creative conservation initiatives; and a greater ability to prevent pollution at the source. The Committee is aware of technology being developed to use cultured fish as biological indicators of pollution, a promising approach to early assessment of the biological impacts of pollution on aquatic organisms and to prediction of future impacts after bioaccumulation has occurred. The Committee urges the Defense Department to carefully evaluate the benefits of developing and implementing this unique concept.

The Committee also urges the Department of Defense to consider adopting the modeling techniques deployed by Lawrence Livermore Laboratory. The computer software being used was created by researchers at the International Research Center for Groundwater Remediation Design. The software allows users to develop an optimum cleanup plan by analyzing a number of environmental parameters.

Technical studies, support, and analysis.-The Committee approves \$24,647,000 to provide funds for studies, analyses, and technical support efforts aiding the policy and acquisition officials in the Office of the Secretary of Defense. After recognizing the transfer of critical technologies efforts to another program element, the fiscal year 1995 budget request reflects over 60 percent real growth. The Committee deletes \$15,854,000 compared to the budget request, maintaining the fiscal year 1994 level of effort. The House allowance is \$5,854,000 above the proposed Senate level.

Foreign material acquisition and exploitation.-The Committee provides \$199,900,000, increasing the budget request amount and the House allowance by \$150,000,000. The Committee recommendation is outlined in the classified annex accompanying this report.

Defense support activities.-The Committee provides \$12,234,000, a decrease of \$3,000,000 compared to the budget request and an amount of \$5,500,000 below the House allowance. Based on the delayed obligation of fiscal years 1993 and 1994 funds, the budget request for fiscal year 1995 can be reduced.

WWMCCS/global command and control system.-The Committee eliminates all funds requested in this program element, producing a \$6,766,000 decrease to the budget and an equivalent reduction to the House allocation. RDT&E funds are no longer required based on the DOD's plan to integrate existing command and control systems to provide a global command and control system [GCCS].

DMA mapping, charting, and geodesy [MC&G] production system improvements.-Activities in this program element permit the development of new technologies and software to support the operational mission of the Defense Mapping Agency [DMA]. The Committee recommends \$58,565,000, decreasing the budget request by \$8,443,000 and raising the House allowance by \$1,557,000.

The Committee deletes \$4,200,000 allocated to unspecified other crisis support efforts within the new MC&G processes project. The balance of the decrease, \$4,243,000, eliminates funds for unspecified efforts

to exploit sources for weapon systems within the new MC&G concepts project, efforts which also appear to overlap with the DMA's advanced sensors project.

Defense airborne reconnaissance support activities.-DARO was created in November 1993 to unify existing airborne reconnaissance architectures and enhance the management and acquisition of all joint service and defensewide manned and unmanned airborne assets, including vehicles, sensors, and data systems. This unification included the transfer of the U-2 and COBRA BALL from the National Foreign Intelligence Program [NFIP] to DARO.

One of the first tasks DARO initiated was to assess, develop, and implement a strategy to meet airborne reconnaissance needs through the year 2010. As a result of this study, DARO initiated an extremely ambitious Unmanned Aerial Vehicle [UAV] Program at the expense of sensor development and cockpit modernization programs for the U-2, RC-135 re-engining and sensor upgrades to other critical platforms that encompass the airborne reconnaissance fleet. As currently proposed, the UAV Program consists of four separate UAV's (tier I, tier II, tier II plus and tier III minus)-each with varying degrees of capabilities and survivability. In reviewing the UAV plan, the Committee concluded that there was no demonstrated need for a four-tiered architecture, specifically both tier II plus and tier III minus platforms. The Committee believes that a more capable and survivable UAV could be developed by combining the tier II plus and tier III minus programs. Furthermore, DOD officials have indicated that either one of these vehicles (tier II plus or tier III minus) would produce more data than could be analyzed by DOD and the intelligence community. Therefore, the Committee directs that both programs be terminated and, with the exception of \$10,000,000, the Committee has deleted funding (\$75,000,000 for tier II plus and \$3,000,000 for tier III minus) for these platforms as well as rejects the realignment of additional funds (\$37,000,000) for tier III minus. Furthermore, the Committee directs that the Department expend the \$10,000,000 to develop a single UAV platform concept that combines the endurance and payload weight envisioned for tier II plus and the low observable attributes envisioned for the tier III minus. The plan for combining these platforms shall be submitted to the Congress for review and consultation prior to any further action being taken.

Outyear savings resulting from combining the tier II plus and tier III minus programs are to be used to ensure that other programs, such as the U-2, rivet joint, and EP-3, are maintained in a technologically advanced and operationally sound manner. In this same vein, the Committee directs that fiscal year 1996 operation and maintenance funding for the U-2 include all operations currently being conducted by the U-2. The funding for these operations is not to be accomplished at the expense of other U-2 program funding.

Additionally, due to the end of the cold war, funding for several key platforms used to support worldwide collection for nonproliferation and treaty verification have been terminated. In order to strengthen COBRA BALL's effectiveness in these critical areas, the Committee has added \$13,600,000 to upgrade or enhance sensor and data processing systems.

Further, while management of the U-2 rests with the DARO, the Committee believes that it should be funded within the NFIP. Therefore, with the exception of the contingency airborne reconnaissance system [CARS], the Committee has retained funding for the U-2 within the NFIP.

The Committee also proposes the following reductions in the unmanned aerial vehicle's [UAV] project: (a) \$3,410,000 to avoid the use of 17 percent of program funds for technical and engineering support; (b) \$5,000,000 planned for ADA conversion of the maneuver UAV, a system which will not even be competitively selected until early 1995; (c) \$5,000,000 to reduce the system engineering and support efforts in the commonality and interoperability project; (d) \$3,500,000 to establish organic logistics support for the medium altitude endurance [MAE] UAV based on the Joint Project Office's assumption that MAE will transition to a major acquisition program; and (e) \$2,000,000 for unspecified MAE demonstrations which were budgeted to increase by \$3,281,000 in fiscal year 1995.

The Committee has provided funds to develop a maneuver or close range UAV system. The Committee supports a full and open competition for this system. DOD has indicated that this competition should allow the Pentagon to choose among a number of off-the-shelf UAV's. The Committee directs that the use of the existing common ground stations be a requirement of the maneuver program.

The Committee is aware of the logistics and safety problems posed by the fuels required to operate existing UAV systems. The Committee restates its direction that the Hunter UAV Program select a heavy-fuel engine approach and provide a plan to demonstrate the heavy-fuel engine in the Hunter prior to Milestone III.

The Committee further directs that the fiscal year 1996 budget submission should include a break out, by project, of all DARO activities. Last, the Committee directs that no programs may be terminated, or funds transferred between DARO projects, without prior congressional approval.

The Committee agrees to make available \$100,000,000 for reactivation of a modest (three-plane) SR-71 Blackbird reconnaissance aircraft contingent for intelligence operations, as recommended by the Senate Armed Services Committee. The Committee believes reactivation is justified because of the unique operational capability that, at present and for the next few years, only this aircraft can provide. Cost estimates for the first year of operation, including one-time costs to reactivate such a contingency group, and the out-years operation and maintenance costs, are based on estimates from the Defense Airborne Reconnaissance Office, and on the recent experience of NASA, which is currently flying the aircraft for scientific experimentation. To control cost growth, the Committee recommends a cap on funding for fiscal year 1995. Further, the Committee believes that an appropriate operation and maintenance estimate for the out-years is less than \$50,000,000 per year, depending on the extent of emergency usage, based on at least 1 month of operational activity, with 10 to 15 sorties.

The SR-71 Program was terminated in 1990 as a full-fledged operational activity involving 12 aircraft on the grounds of costs, lack of need as a result of the end of the cold war, and the promise of follow-on systems which would be able to accomplish the missions for which the SR-71 was designed: oncall strategic and tactical reconnaissance through surprise, assured, and invulnerable penetration of the target nation's airspace to defeat deceptive practices aimed at our other reconnaissance techniques. All three grounds for termination no longer pertain. First, the end of the cold war did not remove the need for a capability to overfly nations for intelligence considered in the vital interests of our Nation and our allies. During the Persian Gulf war, our commanders on the scene badly needed the capabilities of the SR-71. The final report to Congress on the "Conduct of the Persian Gulf War", April 1992, stated that:

Imagery was vital to coalition operations, especially to support targeting development for precision-guided munitions and Tomahawk land attack missile attacks, and for BDA. Operations Desert Shield and Desert Storm placed great demands on national, theater, and tactical imagery reconnaissance systems. The insatiable appetite for imagery and imagery-derived products could not be met.

The SR-71 could have been useful during Operation Desert Shield if overflight of Iraq had been permitted. In that case, the system would have provided broad area coverage of a large number of Iraqi units. \* \* \* During Operation Desert Storm air operations, the SR-71 would have been of value for BDA and determining Iraqi force dispositions.

The fact is that the SR-71 could have mapped Iraq in 3 hours and provided intelligence that was not available to the United States planners for the duration of the conflict. Furthermore, the tremendous extent of Iraqi nuclear weapons development activity that became increasingly clear only many months after the war could well have been detected through the use of the SR-71.

Second, the systems which some hoped would be developed and procured as a follow-on to the SR-71 have not materialized, leaving the SR-71 the only asset in our inventory which has the capability to provide widearea synoptic coverage in all weather, day and night; can cover any target on short notice, with a 3.2 Mach speed to reach any target in the world on short notice; has the sensor flexibility to fly photographic, radar, signals intercept, or other missions responding to the needs of the on-scene commander; can defeat deceptive practices that are currently being engaged in by a variety of nations who may have precise knowledge of the overhead times and orbits of our reconnaissance satellites; that is, according to a new DARO study, still invulnerable to interdiction; that is a mechanism that the President can use selectively to demonstrate national will as a political instrument.



Further, the aircraft allows for surges in collection capability; and provides high-quality synoptic coverage of large areas without drawing national collection systems from other areas of interest.

None of these qualities can be attributed to other air-breathing systems in our inventory, such as the U-2, nor to satellite coverage.

Regarding cost, the Committee has allocated \$100,000,000 for the first year reactivation and operation and maintenance costs of the aircraft. The Committee believes that it would take about \$60,000,000 to prepare three aircraft now in storage at Edwards Air Force Base and Palmdale, for operational service. The Committee, therefore, directs that no more than \$60,000,000 be available for this purpose. Estimates for operations support amount to some \$40,000,000, roughly equally divided between Air Force and contractor support. These cost estimates have been validated in a July 15, 1994, report by the Defense Airborne Reconnaissance Office on "The Reactivation of an SR-71 Contingency Capability." The Committee notes that NASA currently operates three SR-71 aircraft on loan from the USAF at a cost of \$6,210,000 per year in direct and indirect costs, flying 10 missions. The assumptions upon which those estimates are based include 12 months of operations and training and one 30 day deployment during which 10 operational sorties would be conducted.

Further savings may be available by establishing an organizational concept of a combined Air Force/NASA, contractor team based at the Air Force Flight Test Center [AFFTC] at Edwards AFB, CA, where the NASA operations are currently conducted. This basing provides synergism from combined operations, collocation of operations and training, and a combined maintenance/logistics concept extending from current SR-71 logistic support for NASA. Under this concept, according to the Commander of the AFFTC, the "SR-71's unique capabilities could additionally be used to support national advanced technology demonstration and testing. AFFTC is prepared to fully support this combined ACC/AFMC/NASA SR-71 unit." The Air Force is directed to work with NSA and the contractor to collocate all possible logistics and operational support facilities for the SR- 71 Program, under the combined concept developed by the Flight Test Center.

Given the utility of the system to both national and tactical intelligence and commanders, the Committee believes costs should be evenly shared by the intelligence community and the TIARA budget and has included funds in the bill divided along those lines.

Last, a robust sensor suite should be incorporated in this contingency group proposal. First, the advanced synthetic aperture radar system [ASAR-1] should be included. This provides a demonstrated air-to-ground system with high data rate, providing all weather, day-night capability. Second, regarding optical imagery, both a broad area optical bar camera and a targetable tactical resolution camera will be included, allowing selection from a range of sensors, depending on the mission profile that is determined.

As a result of the recommended adjustments, the Committee approves \$544,980,000, increasing the budget request by \$16,690,000. The House allowance is \$64,310,000 above the Senate allocation.

#### BALLISTIC MISSILE DEFENSE ORGANIZATION [BMDO]

The following table summarizes the Committee's funding recommendations regarding the fiscal year 1995 Ballistic Missile Defense Organization [BMDO] programs. Within a number of new, discrete program elements, the Committee provides \$2,558,855,000 for BMDO RDT&E programs as previously approved by the Senate. The Committee recommends specific reductions totaling \$301,000,000 and transfer of \$120,000,000 for the Brilliant Eyes Program to the Air Force. The combination of these actions decreases the BMDO budget request by \$421,000,000, providing an amount \$67,093,000 above the House allowance.

The recommended funds are provided within the discrete program elements already approved by the Senate. The Committee recognizes that this reallocation, based on data provided by BMDO, still includes some funds in the National Missile Defense [NMD] Program element related to theater missile defense [TMD] and other similar overlaps. The Committee directs that the fiscal year 1996 budget request be

presented within the new program elements and with careful consideration given to budgeting funds in the correct program elements in accordance with the intended use of the moneys requested. The following table precisely details the Committee's realignment of funds between program elements. The Committee has deleted all funds in the budget request program elements to effect the transfer of funds into the newly established program elements.

[In thousands of dollars]

Current program element/project	New program element/project	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
					Budget request	House allowance
	Patriot:					
604216C 2207	Patriot PAC-3	69,240	69,240	69,240		
604216C 2208	ERINT	58,460	58,460		-58,460	-58,460
	ERINT/Patriot risk reduction			92,000	+92,000	+92,000
604225C 2207	Patriot	217,200	217,200	217,200		
	Subtotal	344,900	344,900	378,440	+33,540	+33,540
604216C 2210	THAAD	495,690	480,000	465,690	-30,000	-14,310
604216C 2213	Sea-based area TBMD (Navy lower tier)	179,543	100,000	149,056	-30,487	+49,056
604216C 2104	GBR-T	173,200	173,200	193,200	+20,000	+20,000
604216C 2308	HAWK upgrades	26,800	26,800	26,800		
	Battle management and C <sup>4</sup> I for TMD:					
604216C 3211	Battle management and C <sup>4</sup> I for TMD	33,500	33,500	12,567	-20,933	-20,933
604225C 3211	C <sup>4</sup> I and concepts ops anal	555	555	555		
	Subtotal	34,055	34,055	13,122	-20,933	-20,933
	National missile defense:					
603217C 1101	Passive sensors	24,500	24,500	24,500		
603217C 1102	Radar	10,000	10,000		-10,000	-10,000
603217C 1104	Signal processing	7,100	7,100	7,100		
603217C 1105	Discrimination	29,382	29,382	29,382		
603217C 1106	Sensor studies and experiments	48,600	48,600	35,600	-13,000	-13,000
603217C 1201	Interceptor component technology	22,500	22,500	13,500	-9,000	-9,000
603217C 1217	KKV technology	120,000	120,000	120,000		
603217C 1403	Computer engineering technology	2,500	2,500	2,500		
603217C 1405	Communications engineering technology	500	500	500		
603217C 1501	Survivability	3,000	3,000		-3,000	-3,000
603217C 1504	Materials and structure	5,000	5,000	5,000		
603217C 2104	GBR	8,000	8,000	8,000		
603217C 2300	BM/C <sup>3</sup> technology	56,500	56,500	24,438	-32,062	-32,062
603217C 3101	Engineering/integration support	18,977	18,977	18,977		
603217C 3202	Operations interface	1,530	1,530	1,530		
603217C 3300	Test and evaluation support	93,697	93,697	93,697		
603217C 4000	Operational support	15,276	15,276	15,276		
604217C 2102	Brilliant eyes	120,000			-120,000	
	Undistributed reduction to NMD		-225,335			+225,335
	Subtotal	587,062	241,727	400,000	-187,062	+158,273
	Follow-on TMD:					
603216C 1105	Discrimination	58,119	58,119	58,119		
603216C 1106	Sensor studies and experiments	28,500	28,500	28,500		
603216C 1201	Interceptor component technology	5,000	5,000	5,000		
603216C 1216	Sea-based wide area (Navy upper tier)	17,725	120,000	17,725		-102,275
603216C 1501	Survivability	4,900	4,900	4,900		

603216C 1502	Lethality and target hardening	32,800	32,800	32,800		
603216C 2209	ARROW/ACES	52,400	52,400	52,400		
603216C 2212	Corps Sam	17,725	17,725	10,000	-7,725	-7,725
603216C 3101	Engineering/integration support	45,590	45,590	22,628	-22,962	-22,962
603216C 3201	Architecture and studies	42,161	42,161	30,531	-11,630	-11,630
603216C 3202	Operations interface	2,522	2,522	2,522		
603216C 3300	Test and evaluation Support	163,855	163,855	163,855		
	Kauai test facility			(4,000)		
603216C 4000	Operational support	7,834	7,834	7,834		
	Arrow deployability			(15,000)		
	Subtotal	479,131	581,406	436,814	-42,317	-144,592
	Follow-on technologies:					
603217C 1111	Advanced sensor technology	48,000	48,000	10,000	-38,000	-38,000
603217C 1215	Boost phase intercept-KE	61,100	17,725		-61,100	-17,725
603217C 1302	Chemical laser	77,500	20,500		-77,500	-20,500
	Combined BPI Program			90,000	+90,000	+90,000
603217C 1305	ATP/FC demo	12,500	12,500	12,500		
603217C 1503	Power and power cond	10,000	10,000	10,000		
603217C 1504	Materials and structure	2,000	2,000	2,000		
602217C 1601	Innov science and technology [IS&T]	60,000	60,000	41,510	-18,490	-18,490
602217C 1602	SBIR	46,460	46,460	39,896	-6,564	-6,564
	Undistributed reduction-IS&T, SBIR		-33,000			+33,000
603217C 3107	Environment, siting, and facilities	5,606	5,606	5,606		
603217C 3201	Architecture and studies	8,000	8,000	8,000		
603217C 3203	Intel threat development	8,050	8,050	8,050		
603217C 3204	Countermeasures integration	18,303	18,303	18,303		
603217C 3206	System threat	6,890	6,890	6,890		
603217C 3300	Test and evaluation support	9,400	9,400	9,400		
603217C 4000	Operational support	32,720	32,720	32,720		
603217C 4302	Technology transfer	2,862	2,862	2,862		
603217C 1106	Russian-American observational satellites [RAMOS]			(1,000)		
	Subtotal	409,391	276,016	297,737	-111,654	+21,721
	Management and support:					
603218C 4000	Operational support	215,233	198,833	163,146	-52,087	-35,687
604216C 3300	Test and evaluation support	34,850	34,850	34,850		
	Subtotal	250,083	233,683	197,996	-52,087	-35,687
	Grand total	2,979,855	2,491,787	2,558,855	-421,000	+67,068

Patriot.-DOD has decided to allocate \$92,000,000 to a risk reduction program which will include efforts on the extended range interceptor [ERINT] and the Patriot multimode missile. The Committee adds \$33,540,000 to the budget request of \$58,460,000 for ERINT efforts to fund the combined risk reduction program. The funds added include \$8,500,000 only to support enhanced Army participation in the Navy mountain top demonstrations to develop improved air defenses against cruise missiles. The Army is directed to include full funding in its fiscal year 1996 budget request to continue this more meaningful participation in the joint demonstration.

Theater high altitude area defense [THAAD].-The theater high altitude area defense system will be used with the ground-based radar for theater missile defense [GBR-TMD] to provide wide area protection from theater ballistic missiles [TBM's] for our forward deployed forces. The Committee strongly endorses this program, recognizing that it responds to an urgent military requirement. However, the Committee remains concerned about the pace and concurrency within the program. The Committee denies \$30,000,000 sought to support 4 of the 10 planned flight tests scheduled in fiscal year 1995, since it is not likely that DOD can accomplish all planned tests. The total program funding level, \$465,690,000, is \$14,310,000 below the House allocation.

Sea-based area TBMD (Navy lower tier).-The Committee provides \$149,056,000, adding \$49,056,000 to the House allowance but reducing the budget request by \$30,487,000. The Navy has initiated a cost and operational effectiveness analysis [COEA] to consider options for both the Navy upper and lower tier programs. The Committee continues to agree with DOD officials that the Navy Lower Tier Program should reduce the risk and prove the concept of sea-based theater ballistic missile defense. Thus, the Committee felt that adding funds for the Navy Upper Tier Program was not warranted. Similarly, the Committee felt that fully funding the budget request prior to completion of the COEA and further study of lethality issues was also not warranted.

The Committee recognizes that the Pacific missile range facility [PMRF] air, surface, and subsurface ranges and associated test and exercise infrastructure provide the unique capability to conduct virtually unrestricted test and evaluation in ideal conditions in support of the Defense Department, the armed services, the National Aeronautics and Space Administration, and U.S. friends and allies. Furthermore, the range is specifically equipped with the optical and radar tracking equipment, communications network, test control facilities, rocket launch infrastructure, and range support capability necessary to support tests of theater missile defense systems and concepts. Based on these unique assets and PMRF's demonstrated record of success, the Committee directs that the Pacific missile range facility [PMRF] shall be designated the primary test range for the completion of Navy lower tier and upper tier missile flight tests.

Ground based radar-theater missile defense [GBR-TMD].-The Committee has increased the budget amount, and the House allowance, for GBR-TMD by \$20,000,000 to provide a total of \$193,200,000. Termination of the national missile defense radar [GBR-NMD] has resulted in increased infrastructure and technology support requirements being levied on the GBR-TMD effort. To ensure the availability of radar systems to support THAAD flight tests, the Committee provides the necessary increase in program funds.

Battle management and C<sup>4</sup>I for TMD.-The Committee eliminates \$20,933,000 compared to the budget request and the House allowance, holding activities in this project to the fiscal year 1994 level. The recommendation provides \$12,567,000 to complete the highest priority C<sup>4</sup>I integration efforts.

National missile defense.-Based on information provided by BMDO, the Committee has consolidated all national missile defense [NMD] technology readiness efforts in a new program element. The Committee provides \$400,000,000, a reduction to the consolidated budget request of \$187,062,000 and an amount \$158,273,000 above the House recommendation. The Committee's actions reflect the following reductions: (a) \$10,000,000 for radar technology based on the deferral of the activities planned under the original budget request; (b) \$13,000,000 allocated to develop an infrared sensor for the airborne warning and control system [AWACS], an effort which is premature until a related development effort is allowed to proceed; (c) \$9,000,000 for pilotline experiment technology [PET] efforts which have been altered by the loss of a key participant; (d) \$3,000,000 sought for unjustified survivability efforts on the now deferred NMD system; (e) \$32,062,000 of the funds designated to continue the invalid expenditure of roughly \$60,000,000 per year on an NMD battle management/command, control, and communications [BM/C<sup>3</sup>] system, including the specific elimination of \$25,000,000 to begin development of a block 1 BM/C<sup>3</sup> system; (f) \$120,000,000 in brilliant eyes funds which have been transferred to a new Alert, Locate, and Report [ALARM] Demonstration and Validation [Dem/Val] Program.

Follow-on TMD.-The Committee recommends \$436,814,000 to continue projects which support the development and evaluation of emerging and future theater ballistic missile defense concepts. The approved funding level reflects a decrease of \$42,317,000 in the collected budget request for projects related to follow-on TMD and a reduction of \$144,592,000 versus the allocations made by the House. A number of adjustments are made to reflect the Committee's priorities.

First, a reduction of \$7,725,000 is proposed in the Corps Sam Program. The decrease includes \$1,900,000 to procure Government furnished equipment for a nonexistent program and \$5,825,000 for in-house and support contract efforts which were budgeted at a level exceeding the major contract value.

Second, the Committee directs that \$4,000,000 of the test and evaluation support funds shall be made available only to sustain the operations and support BMDO test activities at the Kauai test facility [KTF].

Third, a cut of \$22,962,000 in the engineering/integration support project is recommended. The budget request sought 255 percent real growth in these activities. BMDO provided no justification for such an excessive increase in support costs.

Fourth, a decrease of \$11,630,000 is proposed in the architecture and studies project. The following discrete decreases make up the total reduction: (a) \$5,000,000 from unspecified commanders in chief exercises; and (b) \$6,630,000 for functional analyses of upgraded approaches to sensors, command, control, communications, and intelligence capabilities, efforts which are premature until current baselines are established.

Last, the Committee directs that \$52,400,000, the budget request amount, shall be made available only for the Arrow Continuation Experiments [ACES] Program. Further, the Committee directs that, within the total funds available for follow-on TMD efforts, \$15,000,000 should be allocated to ARROW.

The Committee has provided the requested amount for the TMD Critical Measurements Program II [TCMP II]. The Committee expects BMDO to execute this program as planned at the funded level.

Follow-on technologies.-The recommended funding level of \$297,737,000 for consolidated technology efforts which support current and future TMD systems represents a decrease of \$111,654,000 to the budgeted amount and an allocation \$21,721,000 above the House. The actions comprising the Committee's recommendations are outlined in the text which follows.

First, \$38,000,000 budgeted for a new effort to develop and evaluate advanced sensor concepts is eliminated. While still refining program plans, BMDO anticipates an unsupportable \$500,000,000 program to provide a follow-on sensor for the Boost Phase Intercept [BPI] Program.

Second, the Committee has deleted \$61,100,000 for the Kinetic Energy BPI Program; \$77,500,000 for the space-based laser [SBL] BPI project; \$52,000,000 in Air Force RDT&E funds also budgeted for the Kinetic Energy BPI Program; and \$20,000,000 in Air Force RDT&E funds budgeted for the Airborne Laser BPI Program. The Committee believes that three costly BPI programs, all of which lack full out-year funding, are unaffordable. In a defense budget which already is underfunded by roughly \$20,000,000,000, the Committee believes the use of limited research and development funds to pursue all three BPI concepts is unwise.

The Committee provides \$90,000,000 in a consolidated program with the expectation that DOD will have to make difficult, but necessary, choices between competing BPI concepts. The Committee directs that BMDO provide a plan for these funds prior to obligating any amounts. The House provided \$17,725,000 for kinetic energy BPI and \$20,500,000 for the SBL BPI effort but did not consolidate BPI projects.

The Committee urges that consideration be given to a joint United States-Israel Boost Phase Intercept Program. The Committee recommends that up to \$15,000,000 of BPI funds may be used for such a joint program provided that the Secretary of Defense provides the following certifications to the congressional defense committees: (a) the United States and Israel have entered into an international agreement governing the conduct and funding of such a joint effort; and (b) the projects will have specific, direct benefits for the United States.

Third, the Innovative Science and Technology Program is allocated \$41,510,000, a reduction of \$18,490,000 compared to the budget request and the House allowance. The proposed funding level maintains these activities at the fiscal year 1994 level while acknowledging a reduced need for BMDO high-risk technology efforts.

Last, the small business innovative research project is reduced by \$6,564,000, to reflect the proportionate reduction in the overall BMDO Program budget.

The Committee also notes its concern about the contracting approach used to purchase Topaz II reactors from Russia. The DOD has accepted delivery of four reactors without adequate funds to pay for the systems. The Committee directs BMDO not to enter into any future contracts which irreversibly obligate Congress to appropriate funds.

The Committee understands that the Topaz II project may be transferred to the Defense Nuclear Agency [DNA]. In the event of this shift, the Committee directs DNA to preserve the integrity of the Topaz II Space Power Program and to provide for its continuation in the 1996 budget request.

The Committee notes the opportunities presented by the Russian-American observation satellite [RAMOS] initiative, and specifies that not less than \$1,000,000 shall be available only for this effort. This amount reflects only the minimum investment that DOD should dedicate to this program. The goals and objectives of RAMOS are consistent with the authorized purposes of the Nunn-Lugar, SERDP, and dual use technology programs. The Committee urges the Department to consider application of funds from these accounts to expand DOD participation in RAMOS for fiscal year 1995.

Finally, the Committee understands that responsibility for the Clementine Program has been transferred to the Air Force from BMDO. The Committee directs that all unobligated funds originally allocated to the Clementine project be transferred from BMDO to the Air Force.

Management and support.-The Committee provides \$197,996,000 in a combined management and support program, decreasing the budget request by \$52,087,000. Compared to the House action on these merged programs, the Senate has deleted an additional \$35,687,000. The reduction holds the fiscal year 1995 funds for these activities to a level which matches the proportion of management and support in the fiscal year 1993 total funding level for missile defense.

Disaster planning and preparedness.-The Committee believes that DOD and its agencies can make a tremendous contribution to Federal efforts to deal with natural disasters. DOD planning tools could be adapted to the task of developing action plans to be implemented prior to an emergency. DOD sensors could be utilized to identify areas vulnerable to damage in the event of hurricanes, earthquakes, or other natural events. DOD sensors could also enhance efforts to predict the course of storms and other tools could be modified to produce real time reaction plans which could minimize or avoid loss of life and property damages which are preventable with proper planning and reaction.

The Committee is aware of efforts within the Office of the Secretary of Defense, the Deputy for Command, Control, and Intelligence [C<sup>3</sup>I] to review DOD's capabilities to respond to this need. The Committee commends these planning efforts and provides \$5,000,000 to move forward with projects and activities in this area. The Committee directs that these funds shall be made available only to proceed with efforts outlined through interactions with Government and private concerns including thorough evaluation of the merits of a Pacific disaster center. The Committee believes these discussions, motivated by the extensive damage caused by Hurricane Iniki, form a sound basis for a comprehensive, regional approach to disaster planning.

Special operations technology development.-Projects within this account allow the Special Operations Command to study and prototype new technologies which address the unique mission demands of special forces. The Committee approves \$6,160,000, an adjustment which reduces the request by \$1,400,000 but adds \$600,000 to the House allowance. The action transfers \$1,400,000 sought for a new counterproliferation technologies effort to the Counterproliferation Program element created by the Committee. The Committee directs that special operations programs should be given consideration by the Joint Committee for the Review of Counterproliferation Programs for available funds.

Special operations tactical systems development.-The Committee provides \$153,286,000 to develop the weapon and support systems required to meet the tactical mission needs of special operations forces [SOF]. The recommendation is \$14,070,000 below the budget request and \$11,480,000 below the House allowance.

The Committee's proposed appropriation reflects the following reductions: (a) \$9,598,000 for the stabilized weapons platform system [SWPS] which has been terminated; (b) \$1,144,000 for undefined avionics architecture evaluations; (c) \$2,500,000 to defer development of the gunship avionics integration trainer; (d) \$828,000 for unspecified studies to initiate new developments within the communications advanced development project. With regard to the SWPS reduction, the Committee has transferred a portion of these funds to the "Procurement, defensewide" account to permit the procurement of existing weapons platforms which meet the SWPS requirement. The Committee specifically denies funds for premature, SOF-specific efforts on the evolving enhanced fiber optic guided missile [EFOG-M].

Point-of-care blood testing.-The Committee directs the Department of Defense to study the feasibility and cost effectiveness of using highly portable point-of-care blood testing in military medical facilities. The study should provide an assessment of the extent to which this new technology can increase health care quality while decreasing costs by performing blood analysis in a short period of time at the patient's bed side without the long waiting time, expensive equipment, maintenance costs, and personnel required with traditional testing. The study should address the extent to which use of this technology will allow the military services to reduce medical evacuations by providing diagnosis on location and improve the cost effectiveness of laboratory testing at field hospitals, ships, and medical aircraft. The report should be provided to the Appropriations Committee no later than February 31, 1995.

Nonacoustic antisubmarine warfare.-The Committee has, for many years, strongly supported the operation and management of a nonacoustic antisubmarine warfare program independent from the Navy, although coordinated closely with related Navy efforts. The Committee directs that, before any changes are made in the management, operation, and internal departmental oversight and responsibility of this independent program, there occur consultation with, and notification to, the Committee.

#### OTHER ADJUSTMENTS

The Committee recommends incorporating the following additional adjustments to classified programs, as explained in the classified annex to the Committee's report:

[In thousands of dollars]

	Budget estimate	House allowance	Committee recommendation	Budget request	House allowance	Committee recommendation compared to-
Cryptologic activities	(1)	(1)	+13,700	+13,700	(1)	
General Defense	(1)	(1)	+2,000	+2,000	(1)	

Intelligence Program

<sup>1</sup>Classified.

#### HOUSE ADJUSTMENTS

The Committee disagrees with the following adjustments to the budget request contained in the House allowance:

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[In thousands of dollars]

Committee recommendation compared to-

Item	Budget request	House allowance	Committee recommen- dation	Budget request	House allowance
Advanced submarine technology	25,261	38,761	25,261		-13,500
Computer aided logistics support	13,090	15,590	13,090		-2,500
Maritime Technology Office		12,000			-12,000
Consolidated DOD software initiative		27,500			-27,500
Joint tactical information distribution system [JTIDS]	84,409	11,100	84,409		+73,309
Commercial communications		10,000			-10,000
Industrial preparedness		25,000			-25,000
Special operations advanced technology development	15,549	13,549	15,549		+2,000
Classified programs	1,139,099	1,059,287	1,139,099		+79,812
Ballistic missile defense technology	106,460	73,460		-106,460	-73,460
Theater missile defenses	479,131	581,381		-479,131	-581,381
Ballistic missile defense technology	769,993	444,283		-769,993	-444,283
Theater missile defense (demonstration/ validation)	1,071,283	976,050		-1,071,283	-976,050
Ballistic missile defense technology (demonstration/validation)	120,000			-120,000	
Theater missile defenses	217,755	217,755		-217,755	-217,755
Research and support activities	215,233	198,833		-215,233	-198,833
SATCOM ground environment		95,191			-95,191
Satellite communication		47,115			-47,115
Defense Meteorological Satellite Program [DMSP]		14,639			-14,639
Advanced spacecraft technology		64,200			-64,200
Space systems environmental interactions technology		4,200			-4,200
Space Test Program		62,084			-62,084
Advanced MILSATCOM		35,000			-35,000
Defense Meteorological Satellite Program block 6		7,601			-7,601
Satellite systems survivability		8,531			-8,531
Brilliant eyes		120,000			-120,000
Advanced space based TW/AA (dem val)		330,000			-330,000
MILSTAR LDR/MDR sat com		607,248			-607,248
UHF satellite communications		20,879			-20,879
Defense satellite communications system		30,876			-30,876
Medium launch vehicles		21,042			-21,042
Upper stage space vehicles		3,663			-3,663
Titan space launch vehicles		4,000			-4,000
Defense Meteorological Satellite Program [DMSP]		21,135			-21,135
NAVSTAR global positioning system		51,125			-51,125
Defense Support Program		47,351			-47,351
Nudet detection system		10,140			-10,140



Space launch initiative	140,000			-140,000
General reduction, university research	-430,000			+430,000
Civilian personnel pay raise and locality pay	1,100			-1,100
Civilian personnel under strength	-700	-1,800	-1,800	-1,100

Offset folios 0 to 0-RDT&E, DEFENSEWIDE insert here\*\*\*TABLE GOES HERE\*\*\*

#### DEVELOPMENT, TEST, AND EVALUATION, DEFENSE

Appropriations, 1994	\$232,457,000
Budget estimate, 1995	251,495,000
House allowance	251,495,000
Committee recommendation	224,353,000

The Committee recommends an appropriation of \$224,353,000 for the "Development, test, and evaluation, defense" account, a decrease of \$27,142,000 to the budget request. The recommendation is \$27,142,000 below the House allowance.

#### COMMITTEE RECOMMENDED ADJUSTMENTS

Central Test and Evaluation Investment Program [CTEIP].-The Committee recommends \$88,176,000, a reduction of \$27,142,000 to the budget request and to the House allowance. This recommendation consist of several adjustments.

First, the Defense Department has been unable to define its spending requirements for two CTEIP efforts: the Resource Enhancement Program for test range upgrades, and the Test, Technology, Development, and Demonstration Program which develops new testing technologies. Consequently, the Committee denies the \$10,800,000 requested for these programs.

Second, \$13,650,000 is denied for the Enhanced Installed System Test Facility Program. This effort is premature because the current system, which would become the baseline to determine the requirements for future enhancements, is still being developed.

Third, \$5,400,000 is denied for the Range Interneting Networks Program to electronically link the Defense Department ranges. The program is premature until the Department completes it's plan to reduce the test and evaluation infrastructure, and the base realignment and closure process further progresses.

Fourth, the Committee adds \$3,483,000 to fund the development of a real-time data link between the air combat environment test and evaluation facility [ACETEF] and the real-time electromagnetic digitally controlled analyzer and processor [REDCAP]. The link will improve the realism of testing at both facilities by allowing REDCAP computer simulations to now involve actual flight hardware and by including realistic threat command and control in the ACETEF test simulations.

Lastly, the Committee does not believe that there is a requirement for CTEIP to invest in dual-use efforts. Therefore, the \$775,000 requested for this program is denied.

The budget activities and programs funded under this appropriations are displayed below.

#### SUMMARY TABLE [In thousands of dollars]

Committee recommendation  
compared to-

	Budget estimate	House allowance	Committee recommendation-	Budget request	House allowance
Central Test and Evaluation Investment Program	115,318	115,318	88,176	-27,142	-27,142
Foreign comparative testing	33,716	33,716	33,716		
Live fire testing	10,461	10,461	10,461		
Test and evaluation	92,000	92,000	92,000		
Total, development, test, and evaluation, Defense	251,495	251,495	224,353	-27,142	-27,142

#### OPERATION TEST AND EVALUATION

Appropriations, 1994	\$12,650,000
Budget estimate, 1995	12,501,000
House allowance	12,501,000
Committee recommendation	12,501,000

The Committee recommends an appropriation of \$12,501,000 for this account. This amount is the same as the budget request and the House allowance.

#### TITLE V

#### REVOLVING AND MANAGEMENT FUNDS

The Committee recommends appropriations totaling \$1,618,000,000 for title V, revolving and management funds. This is \$322,408,000 and \$267,551,000 below the requested and House allowance levels, respectively.

The Committee provides funding for the defense business operations fund [DBOF] and the national defense strategic lift fund under this heading.

#### DEFENSE BUSINESS OPERATIONS FUNDING ADJUSTMENTS

Appropriations, 1994	\$1,102,295,000
Budget estimate, 1995	1,169,038,000
House allowance	1,090,438,000
Committee recommendation	789,400,000

The Committee's recommendations provide \$789,400,000 for the defense business operations fund, an amount significantly less than requested for appropriations. Reducing the DBOF appropriation request (primarily requested to cover defense commissary operations costs) to reflect adjustments which affect the DBOF revolving fund cash balances is a departure from the norm. In the past, adjustments to DBOF programs were levied against the services' "O&M appropriation" accounts. These adjustments were then to be offset by transfers from DBOF cash balances directed in law or report language. The Senate national defense authorization bill for 1995 adopted a new approach, believing that reducing the "Defense commissary" appropriation gives Department managers of the DBOF that much more incentive to transfer funds quickly and in the amounts directed by Congress. The Committee has gone along with that approach for now, but intends to revisit the matter prior to the conclusion of the House-Senate conference.

Like the Army, Air Force, and Defense Agencies, activities funded through the defense business operations fund will begin and end fiscal year 1995 with fewer civilian personnel on the payrolls than

planned, according to data supplied by the Department. A reduction of \$198,000,000 is made to account for these lower personnel levels.

The recommendations also support initiatives approved in the Senate-approved national defense authorization bill for fiscal year 1995. One of these initiatives-capping amounts which can be obligated for capital purchases from the fund-results in a savings of \$100,000,000 in 1995. A reduction to the DBOF appropriation is made to account for this limitation.

Finally, a general reduction of \$72,638,000 is proposed in order to meet the 1995 Senate defense authorization bill account level. That bill cut DBOF appropriations by \$100,000,000 in anticipation of lower-than-budgeted fuel prices. Recent information indicates that lower fuel prices likely will not obtain in fiscal year 1995. Thus, the Committee also intends to revisit this issue prior to the conclusion of the House-Senate conference.

#### NATIONAL DEFENSE SEALIFT FUND

Appropriations, 1994	\$1,540,800,000
Budget estimate, 1995	608,600,000
House allowance	858,600,000
Committee recommendation	828,600,000

The Committee recommends \$828,600,000 for the national defense sealift fund. This is \$220,000,000 above the budget request, and \$30,000,000 below the House allowance. The amount will provide \$43,000,000 to support RRF acquisitions as requested, \$43,000,000 for procurement and installation of national defense sealift features on commercial roll-on/roll-off ships, with superior capacity and capability that will be built in the United States as authorized in the Senate, and \$546,400,000 for the construction of two sealift ships as requested. The balance is for new construction or charter of sealift ships. No funds are provided for research and development programs. The budget requested \$2,000,000 for the Merchant Ship Naval Augmentation Program and \$17,200,000 for the Strategic Sealift Technology Development Program. The Committee recommends funding these programs under title IV, research, development, test, and evaluation.

The Committee recommends eliminating bill language included by the House restricting the purchase of sealift components and establishing a loan-guarantee program. It recommends including bill language, as requested in the budget, governing the use of the funds to support RRF acquisitions.

Maritime reform.-The Committee notes the submission of the administration's initiative to revitalize our national merchant marine and domestic shipbuilding industry. This matter is now pending before the Committees of Jurisdiction. The Committee believes that the Department of Defense has a central stake in the viability of our national maritime industry, and should be a participant in this initiative. The committees hope that action on the maritime reform initiative will be completed this year, and that the Department of Defense role will be further defined.

#### TITLE VI

#### OTHER DEPARTMENT OF DEFENSE APPROPRIATIONS

#### CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

Appropriations, 1994	\$389,974,000
Budget estimate, 1995	575,349,000
House allowance	562,949,000
Committee recommendation	590,149,000

The Chemical Stockpile Disposal Program [CSDP], mandated by Congress in section 1412 of the 1986 Defense Authorization Act (Public Law 99-145), directed the Department of Defense to destroy the complete

unitary chemical stockpile by September 30, 1994. The fiscal year 1989 Defense Authorization Act (Public Law 100-456) extended the program completion date to April 30, 1997. The fiscal year 1992 Defense Authorization Act (Public Law 102-190) again extended the program completion date to July 31, 1999. Finally, the fiscal year 1993 Defense Authorization Act (Public Law 102-484) further extended the completion date to December 31, 2004.

The Chemical Demilitarization Program provides resources to develop and test monitoring and disposal technology; equip, operate, and maintain disposal facilities; provide transportation of chemical agents and munitions for disposal; dispose of all chemical agent destruction waste products; and decontaminate and dismantle all disposal equipment at the conclusion of toxic operations.

The following table details the Committee recommendation in comparison to the budget request and the House allowance:

[In thousands of dollars]

Item	Budget request	House allowance	Committee recommendation	Committee recommendation compared to-	
				Budget request	House allowance
Research and development	11,300	20,700	11,300		-9,400
Procurement	208,465	196,465	215,265	+6,800	+18,800
Operations and maintenance	355,584	345,784	363,584	+8,000	+17,800
Total, CAMD	575,349	562,949	590,149	+14,800	+27,200

## COMMITTEE RECOMMENDATIONS

### BUDGET ACTIVITY 1-RESEARCH AND DEVELOPMENT

Research and development.-The Department has included \$11,300,000 for research, development, test, and evaluation for the Chemical Stockpile Program [CSDP] for fiscal year 1995. The Committee recommends providing the budget request and specifically directs the Army to use the \$15,800,000 appropriated in fiscal year 1994 for alternative technologies development to be used only for the implementation of the Army's recommended program directed to aggressively pursue alternatives to the baseline incineration process at the bulk-only sites.

### BUDGET ACTIVITY 2-PROCUREMENT

Procurement.-The Department has requested \$208,465,000 for the procurement of all process and support equipment used in the disposal facilities for destroying the unitary chemical stockpile. These funds also support the costs for design, acquisition, fabrication, and installation of facilities equipment. Finally, this account also supports the acquisition of equipment for the Chemical Stockpile Emergency Preparedness Program [CSEPP]. The Committee recommends providing \$215,265,000 for chemical agent and munitions destruction [CAMD] procurement activities in fiscal year 1994, an increase of \$6,800,000 from the budget request.

Of the funds recommended for procurement, the Committee directs the Department to provide \$22,500,000 only for the procurement of the activated carbon filters beds recommended within the alternative technologies study by the National Research Council.

### BUDGET ACTIVITY 3-OPERATIONS AND MAINTENANCE

Operation and maintenance.-The Department has requested \$355,584,000 in operation and maintenance funds for management, technical, and operational support required for demilitarization of the chemical stockpile, emergency response activities, and support to the Nonstockpile Chemical Material Program. The Committee recommends providing \$363,584,000, an increase of \$8,000,000 above the budget request.

Of the funds recommended for CAMD operations and maintenance, the Committee directs the Department to provide \$9,500,000 for the public outreach, risk assessment, and surveillance programs recommended within the alternative technologies study by the National Research Council.

Transportation of chemical weapons.-The Committee, again, has included a general provision which prohibits the expenditure of any Federal funds for the study of the transportation of chemical weapons from the nine chemical disposal sites, except for studies by General Accounting Office requested by a Committee of Congress. The Committee will continue this provision so long as there are no new facts presented that may have an impact on the conclusions of the numerous studies already conducted on this subject which have rejected transportation as an option for the chemical weapons stored at these eight sites. The intent of this provision does not prohibit the expenditure of funds to fulfill the direction of the Appropriations and Authorizations Committees that the Army must submit a comprehensive plan on the destruction or ultimate disposition of nonstockpile material. The Committee notes that the issue of possible transportation of this limited amount of chemical material has never been studied and, therefore, must be addressed to fulfill the direction of Congress.

Future use of the facilities.-The Committee continues its very strong opposition to any studies or exploration of the possible future use of the chemical destruction facilities. To ensure the law requiring the dismantling of the facilities after the completion of the onsite chemical weapons destruction is complied with fully, the Committee has again included a general provision prohibiting the expenditure of any funds for the study of the possible future use of these facilities. The Committee cannot emphasize strongly enough that any discussions or studies of future use of these facilities is moot. This Committee will not break faith with the communities that surround these sites by allowing any study that may lead to any further use of these facilities. The Committee does not intend this provision to apply to the CAMDS facility at Tooele, UT.

#### DEFENSE HEALTH PROGRAM

Appropriations, 1994	\$9,626,072,000
Budget estimate, 1995	9,922,059,000
House allowance	9,895,159,000
Committee recommendation	9,808,239,000

The Committee's recommendation for the Defense Health Program provides \$9,808,239,000, an amount \$113,820,000 below that requested.

#### COMMITTEE ADJUSTMENTS

##### MILITARY MANAGED HEALTH CARE ADVISORY COUNCIL

Last year, in an effort to improve the military health care system through a managed care program, this Committee directed the Department to implement a nationwide managed care program by 1996. The Department's current direction to establish a regional managed care system offers promise to meet beneficiary access demands with appropriate and quality health care services. Central to the implementation of these managed care programs is the need to insure full and open competition and access to successful industry innovations.

The Committee believes that coordination between military medicine and civilian managed care networks is essential to the effective operation of the military health care system. To foster this cooperation and improve communication, the Committee believes that an advisory council should be established.

The purpose of the council would be to establish an advisory mechanism composed of representatives from both industry and the military to improve business practices relative to the managed care support program and to enhance support to beneficiaries. The council also would serve to improve and expedite the regional health planning and solicitation development process. It is in the Government's interest to ensure that its contractors can compete in a market environment which provides the military with the capabilities needed to orchestrate activities within the direct care system. The council will provide the necessary forum.

The Committee intends to work with the Department to create such an advisory group. It is the Committee's intent to fully address this issue in the conference report accompanying the 1995 Defense Appropriations Act.

#### DOD OVERSEAS DENTAL PROGRAM

The Committee has long advocated the position that there should be equity in access to health care benefits for military members and their families, regardless of each family's location. Military families assigned overseas are not afforded the same access to dental care as military families in the United States.

Military families residing in the United States are eligible for enrollment and care through the Dependent Dental Program established by title 10, section 1076a. This program is largely in recognition of the inability to uniformly provide access to dental care through military dental clinics. This program is widely recognized for its successes in affording access to high quality, cost effective dental care.

Like military families in the United States, military families overseas are increasingly unable to access necessary dental care through the military dental delivery system. However, unlike those families residing in the United States, those overseas have administratively been denied access to the Department dental plan.

To correct this inequity the Committee has provided \$10,000,000 to cover an overseas dental program's cost in the initial year. The Department is directed to include full year funding in the fiscal year 1996 budget request.

#### UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Since its inception, the Uniformed Services University of the Health Sciences [USUHS] has provided our Nation with military physicians, scientists, and other health care providers who can readily adapt to adverse conditions, as evidenced in our recent experience in Desert Storm. USUHS provides our Nation with a cadre of career oriented medical officers trained and educated to both practice military medicine and serve as uniformed medical leaders.

The Committee looks forward to an unbiased and objective report undertaken by GAO on the Uniformed Services University of the Health Sciences [USUHS]. This report should highlight features such as cost, quality of the program, and retention rates of graduates-all of which are appropriate areas of inquiry and important aspects of any medical training program. Additionally, it is hoped that when this study is performed, GAO will take into consideration retention rates comparing our military academies to USUHS graduates, as well as the value added of USUHS graduates. Finally, a provision included by the House to initiate closure of USUHS has been deleted, and funds have been added to sustain current operating levels there.

Nurse Practitioner Program.-For the past 2 years, the Committee has provided funds to the Defense Health Program to plan and implement a training program for nurse practitioners at the Uniformed Services University of the Health Sciences. The Committee recommended that during fiscal year 1994 priority be given to establishing certified nurse anesthetist, certified nurse midwifery, OB-GYN, and family practice tracts. The Committee is pleased that a nursing core curriculum has been developed, allowing for the second class of nurse practitioner students to be admitted. In addition, a full accreditation of the Nurse Anesthesia Program has been received permitting eight nurse anesthetists to be admitted in June 1994. The Committee is providing \$2,000,000 this year to continue this valuable program. The Committee expects the Department to

include funds in the Defense Health Program to continue to develop and expand this program to meet the needs of the military departments.

Psychology.-The Committee is pleased that the Department of Defense has initiated the third class of psychopharmacology fellows and that the Department has not restricted the pool of patients seen by the graduates and fellows to active duty personnel. The Committee directs the Department to continue to support these training efforts and to refine the training as appropriate, based on both its experience with the graduates and fellows, and the recommendations of the program evaluators.

The Committee also is pleased that students have been assigned to the Ph.D. Clinical Psychology Program at USUHS. The Committee believes it is imperative that a sufficient number of candidates with the appropriate academic training be selected for these two programs. Therefore, the Committee directs that the ASD (health affairs) obtain, at a minimum, two qualified applicants per service for each of these courses not later than October 1, 1994.

In addition, the Committee is pleased to know that some psychologists at military health care facilities are being afforded hospital admitting privileges. The Committee requests a report no later than March 31, 1995, from the ASD (health affairs) regarding the extent to which military psychologists are currently provided hospital privileges (admitting, discharge, and treatment privileges). The Committee continues to feel that a uniform, permissive policy for all three services would be most appropriate.

#### UNIFORMED SERVICES TREATMENT FACILITIES

The Committee recommendation includes \$270,000,000 for the uniformed services family health plan [USFHP], a managed care program providing health care services to enrolled beneficiaries through the uniform services treatment facilities [USTF's]. The Committee believes that these funds will, at a minimum, allow for the program's current enrollment levels to be sustained and permit the Department to observe the progress of this health care provider option for military dependents and retirees. While the Committee appreciates the USTF's providing low cost health services to beneficiaries, the Committee continues to hold firmly to its fundamental conviction that the primary goal for DOD health care reform is to define and sustain a uniform, stable, and high-quality health care benefit to all military health care system beneficiaries.

#### INCENTIVE SPECIAL PAY

The Committee understands that all service branches are having difficulty recruiting and retaining certified registered nurse anesthetists [CRNA's], which it attributes to an ever-widening gap between military and civilian salaries. The Department has indicated that an increase in the annual incentive special pay [ISP] for CRNA's from \$6,000 to \$15,000 would greatly increase their recruitment and retention and the Committee is extremely pleased that the authorizing committees have included language to authorize these payments.

The Committee also wishes to extend its strong support for nursing accession bonuses and for previously authorized special or retention pays for nonphysician providers. The Committee is pleased that the Department has recognized the need to treat all health care providers in an equitable manner and has provided special or incentive pay authority for specific categories of providers including certain psychologists, podiatrists, optometrists, social workers, and pharmacists.

#### DEFENSE WOMEN'S HEALTH PROGRAM

The Committee directs that a portion of the funding for the Defense Women's Health Program be used for a comprehensive preventive research program on Paget's disease, osteoporosis, osteogenesis imperfecta, and related bone diseases. The Committee urges the Defense Women's Health Program to work closely with the National Institute of Arthritis, the lead Institute on bone diseases.

#### PERSIAN GULF WAR SYNDROME

The health of some of our veterans returning from the Persian Gulf war continues to be of concern to members of Congress. Thus, the Committee is pleased with the Department's initiative to provide a full and comprehensive clinical evaluation of these veterans. Moreover, the Committee agrees with the direction provided the Department in Senate Report 103-282 with respect to this issue. Furthermore, the Committee directs that the Department share all relevant information with the Department of Veterans Affairs regarding the identification of the cause or causes of these illnesses as well as methods of treatment that prove effective. It is imperative that the Department of Defense work closely with the Departments of Veterans Affairs and Health and Human Services in providing care to our Persian Gulf veterans. It is equally important for the Department to seek the advice and counsel of appropriate professional organizations. The Committee recommends \$2,000,000 to facilitate the Department's efforts to address this illness.

#### ZINC CADMIUM SULFIDE

The Committee is concerned by reports, recently confirmed, that the U.S. Army conducted experimental sprayings of zinc cadmium sulfide over Minneapolis, MN, and other U.S. cities in the early 1950's. Current data indicate zinc cadmium sulfide may cause some types of cancer. The Committee condemns any such experiments, and believes this problem requires a prompt, independent assessment. The Committee, therefore, directs the Secretary of Defense to request the National Academy of Sciences to conduct a study of the potential adverse health effects of spraying of zinc cadmium sulfide on civilian populations. The study should address potential birth defects that might have resulted from the spraying. The Committee directs that \$1,000,000 from available funds be provided for this purpose.

#### SOCIAL WORK RESEARCH CENTERS

The Committee instructs the Department of Defense to ensure that the Women's Health Research Program support at least two research centers within schools of social work in communities with large concentrations of military families (including the University of Hawaii). The centers would conduct research on the impact on the healthy functioning of women in the military of psychosocial factors resulting from family violence, military deployment, and downsizing, with special attention to research on intervention strategies undertaken by social workers as primary providers of health care to military families.

#### TRIPLER ARMY MEDICAL CENTER

Renal Institute of the Pacific.-The Committee provides \$2,000,000 to fund the design for a state-of-the-art dialysis facility which will improve the ability of this renal institute to provide quality renal dialysis services to military health system beneficiaries.

Nurse demonstration project.-The Committee continues to support the nurse demonstration project at Tripler Army Medical Center. The project, which was created to test the use of additional ancillary nonnursing personnel to improve nurse productivity, enhance patient care, currently provides very cost effective utilization of critical nursing resources.

Pacific Island referral project.-The Committee provides \$2,500,000 for the continuation of the Pacific Island health care project. The project has been extremely successful in providing valuable graduate medical education [GME] opportunities to medical staff at Tripler and in providing quality health care to the over 1,400 Pacific Islander beneficiaries who have been treated since the program's 1990 inception.

#### DISASTER MANAGEMENT TRAINING PROGRAM

The Committee provides \$1,000,000 for the development of a Disaster Management Training Program based at Tripler Army Medical Center, in partnership with the University of Hawaii [UH] and Pacific Command [PACOM]. The program will serve as a center of excellence in training, education, and research. The partnership's pooled resources and expertise will prepare DOD personnel to meet requirements of operations other than war, including disaster relief and humanitarian assistance.

#### AMERICAN RED CROSS EMERGENCY COMMUNICATIONS



The Committee is concerned that the American National Red Cross is experiencing financial difficulties in continuing to provide emergency communications services to military families and servicemembers. Military families in crisis requiring help locating a servicemember often turn to the Red Cross for this service. The Red Cross emergency communications network is financed almost entirely by charitable contributions; however, recent trends have resulted in more philanthropy focused on local needs, placing worthy programs that meet military needs under increasing financial strain. To provide for continuing services to military families and servicemembers, the Committee recommends that \$14,500,000 be provided to the American National Red Cross for obtaining emergency communications services for members of the Armed Forces and their families.

#### PEDIATRIC EMERGENCY MEDICAL SERVICES

The Committee is pleased with the progress of the pediatric emergency services study and believes that the project will make a critical difference to the health status of the Department's 1.7 million beneficiaries under the age of 14. Accordingly, the Committee directs the Department to provide \$350,000 for this program. Infants and children benefit from access to prompt and competent emergency care, well-integrated clinical services, age appropriate equipment and technology, and rehabilitation facilities that are designed with the needs of children in mind. The Committee expects the Department of Defense to continue this project under the auspices of the Civilian External Peer Review Program [CEPRP], using national experts such as those from Children's National Medical Center.

#### OPTOMETRY SERVICES

The Committee is pleased with the progress made by the three military services to establish administratively separate optometry departments. The Committee agrees with the Department in its assessment that these departments have been successful and, therefore, the Committee suggests the Department consider expanding separate optometry services to all military hospitals.

#### MILITARY NURSING RESEARCH

The Committee recommends \$5,000,000 for the expansion of military nursing research. The Committee expects that in the future the Department will include funds in the Defense Health Program to continue this important program. As part of these research activities, the Committee encourages the Department to initiate military nursing research studies that include, but are not limited to: child and spousal abuse (prevention and treatment), women's health issues, wellness, preventive medicine, home management care and case management, the technological applications (for example, telemedicine) supporting better nursing outcomes in both war and peacetime, the contingency environment to include the prevention of complications associated with battle injury and/or the transport of patients via the military medical evacuation system, and the different ways of training medivac nurses.

#### CHAMPUS MENTAL HEALTH

The Committee is pleased that the tidewater demonstration CHAMPUS contractor provider agreement contract has been responsible for delivering mental health services to Department of Defense beneficiaries nationwide, without decrease in the quality of mental health services. The goal of this DOD initiative was to reorganize the delivery and financing of mental health services to improve the quality, the efficiency, and the effectiveness of mental health and substance abuse services.

#### OFFICE OF EMERGENCY PREPAREDNESS

The Committee supports the recent improvements in the national disaster medical system [NDMS] and urges the Department to work with the Secretary of Health and Human Services to support the development and maintenance of disaster medical assistance teams.

#### BROWN TREE SNAKES

The ability of brown tree snakes to adapt and quickly multiply, poses serious environmental and human health problems. The Committee provides an additional \$1,000,000 only to continue efforts to prevent brown tree snakes from being introduced into new habitats through transportation of military cargo.

#### HOSPITAL MAINTENANCE

The Committee recommends \$2,000,000 to support emergency repairs, minor construction, and comprehensive maintenance at the Bassett Army Hospital. The Committee notes that the Pacific Command Surgeon General and the Army Surgeon General have both expressed concern about the physical plant at this facility. These funds will permit emergency corrective action to ensure full compliance with all safety, health, and service standards.

The Committee also recommends \$3,000,000 to support emergency repairs, minor construction, and comprehensive maintenance at the naval hospital at Agana, GU. This facility, which serves all Federal beneficiaries on Guam, including all Department of Defense military personnel, dependents, retirees, and veterans, has been slated for replacement after 2001. Numerous safety, health, and service deficiencies exist, which must be addressed immediately. The Committee recognizes the regional mission and role of this facility, and urges the Navy to accelerate funding for either replacement or comprehensive renovation of the Guam hospital.

#### PLATTSBURGH AIR FORCE BASE HOSPITAL

The Committee includes bill language which requires the Department to sustain operations at Plattsburgh Air Force Base through fiscal year 1995. An additional amount of \$3,000,000 is provided, allowing the Department to fulfill this requirement.

#### NONEQUITY IN RANK STRUCTURE

The Committee remains dismayed that there are many highly qualified officers in various staff corps other than physicians and dentists (nurse, medical service, veterinary) who continue to be denied the privilege and equity of competing for the rank of a one- or two-star flag officer. The Committee believes this situation stifles initiative and reduces morale among those denied the opportunity to compete for such a rank. In order to ensure that our military medical leadership prospers through diversity, the Committee believes that nonphysicians should be given all due consideration for promotion to flag rank. The Committee directs the Assistant Secretary for Health Affairs to submit a report no later than December 31, 1994, which delineates a plan detailing methods to make these currently excluded officers more competitive in order to achieve the rank of a one- or two-star flag officer.

Pediatric centers of excellence.-The Committee urges the Department to consider establishing pediatric centers of excellence through its evolving regional managed care support contract system. The Committee directs the Assistant Secretary of Defense for Health Affairs to submit a report to the Committees on Appropriations of the House and Senate that details the Department's possible plans for establishing such centers and other specialized treatment services. The report shall be submitted no later than March 15, 1995.

#### BIOFEEDBACK CARE

The Committee is concerned that little progress has been made by CHAMPUS in authorizing reimbursement for biofeedback services. The Committee expresses its initial interest in this matter during its fiscal year 1978 deliberations and has consistently raised this issue with the Department of Defense. The Committee remains convinced that biofeedback therapy is a highly cost-effective modality and has proven to be successful in the treatment of certain patients. The Committee directs CHAMPUS to explore under what conditions these services should be reimbursed and to implement these cost-effective savings.

PACMEDNET.-The Committee believes that the PACMEDNET initiative to improve patient records and data retrieval techniques could lead to better health care service for military beneficiaries. As such, the

Committee directs the Assistant Secretary of Defense for Health Affairs to provide a report to the Committees on Appropriations of the House and Senate describing the procedures, schedule, and costs associated with implementing this program at Madigan, Balboa, and Tripler medical centers. This report should be submitted no later than January 1, 1995.

#### CHIROPRACTIC HEALTH CARE DEMONSTRATION

The Committee notes that the national defense authorization bill, as passed by the Senate, includes a provision calling for the Department of Defense to conduct a 3-year chiropractic health care demonstration in cooperation with the chiropractic health care profession. The demonstration would feature the contracting of a limited number of chiropractors at major military treatment facilities to test and evaluate the effect of chiropractic health care in the military.

The Committee endorses this proposal and concurs with the Senate Armed Services Committee.

#### DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

Appropriations, 1994	\$868,200,000
Budget estimate, 1995	714,200,000
House allowance	713,053,000
Committee recommendation	700,100,000

The Committee recommends an appropriation of \$700,100,000 in title VI, Counternarcotics and Drug Interdiction Program for fiscal year 1995.

#### SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate are summarized in the following tables. Explanations for these adjustments are also provided.

#### DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

[In thousands of dollars]

	Budget request	HAC	SAC	SAC versus HAC
Military personnel:				
Army Reserve	5,850	5,850	5,850	
Army National Guard	103,100	103,100	103,100	
Navy Reserve	2,716	2,716	2,716	
Marine Corps Reserve	2,088	2,088	2,088	
Air Force	5,700	5,700	5,700	
Air Force Reserve	6,160	6,160	6,160	
Air National Guard	25,805	25,805	25,805	
Special Operations Command	135	135	135	
Subtotal, military personnel	151,554	151,554	151,554	
Operations and maintenance:				
Army	88,268	86,768	89,268	+2,500
Navy	94,174	89,174	94,374	+5,200
Marine Corps	5,655	5,655	6,155	+500
Air Force	123,607	121,607	102,807	-18,800
Defense agencies/OSD	106,327	112,827	94,327	-18,500

Army Reserve	4,298	4,298	4,298	
Navy Reserve	1,095	1,095	1,095	
Marine Corps Reserve	1,576	1,576	1,576	
Air Force Reserve	1,160	1,160	1,160	
Army National Guard	22,273	26,519	32,673	+6,154
Air National Guard	7,302	7,302	11,302	+4,000
Special Operations Command	10,395	10,395	10,395	
Other HAC Marks		11,007		-11,007
Subtotal, O&M	466,130	479,383	449,430	-29,953
Procurement:				
Army	3,992	3,992	3,992	
Navy	10,393	10,393	10,393	
Marine Corps	800	800	800	
Air Force	60	60	60	
Defense agencies	13,932	13,932	11,932	-2,000
National Guard/Reserve	8,720	9,320	9,320	
Special Operations Command	1,351	1,351	1,351	
Air Force Reserve	850	850	850	
Other HAC marks		-5,000		+5,000
Subtotal, procurement	40,098	35,698	38,698	+3,000
Research, development, test, and evaluation:				
Army				
Navy				
Defense agencies	46,418	46,418	50,418	+4,000
Subtotal, RDT&E	46,418	46,418	50,418	+4,000
Military construction, Navy	10,000		10,000	+10,000
Subtotal, military construction	10,000		10,000	+10,000
Total, drug interdiction	714,200	713,053	700,100	-12,953

## COUNTERNARCOTICS DRUG INTERDICTION OVERVIEW

Appropriations under this title finance the participation of the Department of Defense in counternarcotics activities. These funds are used to purchase fuel and spare parts for training activities, pay civilian personnel, purchase supplies and equipment, finance drug rehabilitation programs, and training exercises.

The Committee continues to support the Department's efforts to stem the flow of illegal narcotics into the United States. Further, the Committee wishes to commend the Department's participation in pilot outreach programs and other similar projects that encourage the youth of this Nation to seek a life free of drugs. The voluntary efforts of the individuals involved in these programs speak well of the men and women who have joined in this endeavor. The Committee also recognizes the Department's refocus of its drug strategy so that it will complement the administration's new national drug control policy of source nation support, dismantling of cartels, detection and monitoring, direct support to drug law enforcement agencies, and demand reduction. It is hoped that this five-point approach will result in a decrease of illicit drug activities in this country.

EMERALD.-EMERALD was envisioned to be a national counterdrug automated information system that, among other functions, would serve as the counterdrug intelligence data repository for defense and law enforcement. Such an information system would require the cooperation of all agencies involved in

counterdrug activities. To date, no law enforcement agency has endorsed EMERALD. This lack of endorsement calls into question the validity and utility of EMERALD. Therefore, the Committee has terminated funding for EMERALD without prejudice.

Relocatable over-the-horizon radar [ROTHR].-The Committee fully supports the construction and fielding of a third ROTHR in Puerto Rico. When fully operational, these three ROTHR sites will provide enhanced radar coverage and reduce operation and maintenance costs by alleviating the need for certain ground-based radars in use today. The fiscal year 1995 budget submission for counterdrug activities requested \$10,000,000 for construction of the ROTHR in Puerto Rico. This activity is more appropriately funded within military construction. Therefore, in order to accommodate this request, the Committee has transferred \$10,000,000 to the "Military construction, Navy" account.

Tethered aerostat radar system [TARS].-The fiscal year 1995 request for TARS shows an increase of \$5,500,000 while, at the same time, the number of TARS for fiscal year 1995 is less than in fiscal year 1994. Therefore, the Committee has reduced the fiscal year 1995 request by \$7,000,000. The Committee directs that this reduction not be taken against TARS located along the Southwest border.

Host nation radar.-Due to the limited effectiveness of these radars in the Andean region, as well as other radar support that provides comparable information, the Committee has reduced this activity by \$10,000,000.

National Drug Intelligence Center [NDIC].-The National Drug Intelligence Center was created in 1991 to serve as a complement to the El Paso Intelligence Center, and the Committee has supported this center since that time. As a means of reducing the cost of such a center, the facility was to be located outside the Washington, DC, area, and, in fact, such a facility is now operating in Johnstown, PA. For this reason, the Committee is at a loss to understand the rationale for establishing its headquarters at Tysons Corner, VA, a suburb of Washington, DC. The Committee believes a substantial savings would be realized if all personnel assigned to NDIC were located at the facility in Johnstown. For these reasons, the Committee has reduced funding for NDIC by \$12,000,000 and directs that the office at Tysons Corner be closed. The Committee believes that there remains sufficient funding within NDIC to accommodate any expenses involved in transferring personnel to the Pennsylvania facility that are required.

Caribbean basin radar network.-This network provides air surveillance throughout the Caribbean basin. Due to the wide range of radar networks operating in this area that provide similar data, the Committee has reduced this program by \$4,000,000.

Nonintrusive inspection systems.-The Committee continues to be encouraged with the Department's efforts to develop and field nonintrusive inspection systems. Such systems would have application in not only counternarcotics activities, but would also serve to enhance detection for counterterrorism and counterproliferation endeavors. In order to accelerate this program, the Committee has increased funding for this program by \$4,000,000.

Pilot outreach programs.-The Committee fully supports the pilot outreach programs and believes that such an approach has a very favorable impact on discouraging the youth of this country from using illicit narcotics. To further enhance these programs, the Committee has increased funding by \$2,300,000.

P-3 modifications.-SOUTHCOM has consistently identified a need for P-3 assets for counternarcotics monitoring and detection activities within its area of responsibility. The Committee directs that within available funding, \$85,000,000 be used to modify two P-3's from within the Navy's fleet with APS-138 radar and AEW rotodomes for use in counternarcotics activities. Upon completion of these modifications, the two aircraft should be transferred to the Navy Reserve and made available to the U.S. Customs Service for operation, control, and funding in connection with SOUTHCOM's detection and monitoring activities. The Navy Reserve and U.S. Customs Service are directed to author a memorandum of agreement regarding Navy use of these assets as required.

State plans.-The Committee strongly endorses the counter-narcotics efforts of the National Guard. This nationwide community approach has achieved positive results throughout the country. So that this

project may be expanded to other communities, the Committee has increased funding by \$11,000,000 (\$4,000,000 for the Air National Guard and \$7,000,000 for the Army National Guard).

Gulf States counterdrug initiative.-The Committee has provided an additional \$3,600,000 for this program. Of this, \$1,300,000 is for the Regional Counterdrug Training Academy, \$1,700,000 is for sustainment and enhancement costs for the C<sup>4</sup> network of GSCI, and \$600,000 is for National Guard activities related to the GSCI.

Over-the-horizon backscatter [OTH-B].-Within funds available, \$9,800,000 shall be used to partially offset expenses incurred in operating the OTH-B east coast radar system on a 40-hour-per-week basis. The Committee emphasizes that fiscal year 1996 funding will be contingent upon: (1) receipt and positive review of a cost-benefit analysis of the system directed by then Secretary Aspin; (2) receipt and positive review of a report by NOAA regarding use of OTH-B to support its mission; and (3) determination by the President, in consultation with the Secretaries of Defense and Commerce, as to the future of this program.

National Guard/Border Patrol UAV Program.-The unmanned aerial vehicles [UAV's] developed in DOD programs provide excellent capabilities for surveillance that could significantly assist the National Guard and U.S. Border Patrol in efforts to control illegal entry at locations along the Southwest border. The Committee notes that the National Guard is already successfully supporting Border Patrol personnel in many border enforcement-related efforts. The Committee urges that the National Guard, in coordination with the U.S. Border Patrol, study the use of currently available UAV assets for illegal immigration enforcement on the Southwest border and report back to the Committees on Appropriations by January 1, 1995, on the feasibility, effectiveness, and costs of such a joint program.

#### OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1994	\$137,601,000
Budget estimate, 1995	128,172,000
House allowance	142,098,000
Committee recommendation	140,872,000

The Committee recommends an appropriation of \$140,872,000 for fiscal year 1995. This is \$12,700,000 above the request.

The Committee believes it is important to sustain the DOD inspector general [DODIG] organization fiscal year 1994 level of effort. The Committee provided additional funding in fiscal year 1994 to provided for an expanded DODIG level of effort; however, the Department has failed to sustain this level of effort in fiscal year 1995. The Committee recommends an increase of \$12,700,000 to sustain the fiscal year 1994 level of effort in fiscal year 1995 and directs the Department to provide sufficient resources to sustain this level of effort in fiscal year 1996.

#### TITLE VII

#### RELATED AGENCIES

#### CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

Appropriations, 1994	\$182,300,000
New obligation authority, 1995:	
Estimate	198,000,000
Recommended	198,000,000
Change	.....

The Committee recommends \$198,000,000, the budget request for the Central Intelligence Agency [CIA] retirement and disability system fund. The CIA Retirement Act of 1964 for Certain Employees (Public Law 88-643) authorized the establishment of a CIA retirement and disability system for a limited number of CIA

employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries.

#### COMMUNITY MANAGEMENT STAFF

Fiscal year 1994 appropriation	\$151,288,000
Fiscal year 1995 budget request	93,084,000
Committee recommendation	105,084,000
Change	+12,000,000

State Department Bureau of Intelligence and Research.-The Intelligence Community is a composite of agencies and organizations within the executive branch chartered with the responsibility for national security. As a result of this diversity, the community management staff [CMS] was created to ensure cohesiveness and synergy within the intelligence community structure. Although most of these entities, including the CMS, are funded within the Defense Department budget, there remains several agencies that are funded within their overall departmental budget structure. The Committee has noticed a disturbing trend by these non-Defense funded agencies to request funding for various programs within the Defense Department budget. These requests are being accomplished either in conjunction with fiscal year budget submissions or by requesting an increase to the CMS budget after the submission of the budget. For fiscal year 1995, the CMS has requested a \$2,000,000 increase to its budget request for the State Department interoperability initiative-a program that will provide integration and interoperability of automated information systems between other intelligence community agencies and the State Department's Bureau of Intelligence and Research [INR]. This initiative has been described as a high-priority item within the Department of State. While the Committee does not question the need for such a capability, the lack of funding within the State Department's fiscal year 1995 budget submission does call into question the priority State Department, in fact, places on such a program. In an era of declining budgets, all agencies have been required to make priority decisions regarding program funding and the State Department should not be exempt. Nor should these decisions include the option of requesting such funding within the Department of Defense budget. Therefore, while the Committee is providing the requested funding of \$2,000,000, it is doing so solely for the procurement of hardware and software to provide INR interoperability with current intelligence community and DOD information systems. The Committee directs that any other costs associated with this initiative, to include operation and maintenance, future upgrades and procurement, must be borne by the State Department. The Committee further directs that future requests of this type for non-DOD funded intelligence community programs be requested within that agency's internal fiscal year budget request.

National Counterintelligence Center.-In the wake of the Ames espionage case, Presidential decision directive 6, dated May 3, 1994, created a new counterintelligence structure, under the direction of the National Security Council, for the coordination of counterintelligence matters. This structure includes a National Counterintelligence Policy Board and National Counterintelligence Center [NACIC]. The NACIC will serve as the Board's primary mechanism to manage all national-level counterintelligence activities and will be composed of individuals from the Department of Defense, Central Intelligence Agency, Federal Bureau of Investigation, National Security Agency, and other U.S. intelligence agencies. The administration has advised that \$6,824,000 will be needed in fiscal year 1995 for the NACIC. Of that amount, \$3,209,000 has been identified by the administration.

The Committee does not dispute the need for a mechanism such as that described above and is encouraged with the immediate response of the administration regarding this issue. However, upon review of this matter, the Committee has specific concerns that need to be addressed and clarified.

The Committee believes that a more definitive roles and missions strategy for this Center is necessary before the Committee can appropriate funding. Further, the Committee is concerned that collocation of this Center at the CIA will hinder the independence and multiagency working operations such an organization needs to possess.

Therefore, prior to the obligation of any funds for this Center, the Committee directs that the Director of the Federal Bureau of Investigation, in consultation with appropriate heads of other agencies, submit a report

detailing the specific roles and missions of the Center. The report should also propose an alternate location in the Washington, DC, area for this organization; clarify the need for the number of personnel requested and justify the permanency of such a Center. This report should be submitted to the Committee no later than September 1, 1994.

The Committee has provided, but fenced within the "Community management" account \$10,000,000 of the \$12,000,000 recommended in the Senate Intelligence Authorization Act for counterintelligence initiatives. Additionally, the Committee has limited obligation of \$3,209,000 identified within the CMA that partially offsets the necessary funding for the NACIC.

Environmental task force.-The Committee commends the DCI for his establishment of the environmental task force which has succeeded in its first year of operation in exploring and developing a number of initiatives and experiments to transform classified data in the archives to useful civilian usages. The Committee is especially gratified with the response of many top American scientists to dedicate long hours in this effort and notes the important role being played by the Vice President of the United States in moving this important initiative forward.

The Committee understands that an effort of this type will be characterized by many unknown difficulties as well as benefits and, therefore, fully funds the administration's request.

Further, the Committee would like the effort initiated by the Vice President and the Russian Prime Minister to be reinvigorated under the aegis of the environmental task force to engage in Russian leadership and intelligence apparatus in a joint program of sharing and declassifying data to use in evaluating our Nation's environment. The Russian archives, it must be surmised, contain extensive data of a historical nature on the American environment, both land and ocean, which could be of great value to American scientists. The DCI is requested to make another effort to establish such a cooperative program and is requested to provide a preliminary report on the parameters and thrust of his approach by February 1, 1995, and a final report on his actions and recommendations for such a joint program or programs by May 1, 1995.

#### NATIONAL SECURITY EDUCATION TRUST FUND

Fiscal year 1994 appropriation	\$10,000,000
Fiscal year 1995 request	14,300,000
Committee recommendation	8,500,000
Change	-5,800,000

The Committee appropriates \$8,500,000 for the national security education trust fund.

The Committee reviewed this request and determined that as of July 1, 1994, at least \$4,000,000 of the \$20,000,000 authorized during the past 2 years remained available for obligation. Additionally, section 810 of Public Law 103-178 limits the amount to be appropriated to not more than the amount credited to the fund in interest only for the preceding fiscal year. With these two issues in mind, the Committee believes that a fiscal year 1995 budget of \$8,500,000 is sufficient to carry out the goals and objectives for which this fund was established.

#### TITLE VIII

#### GENERAL PROVISIONS

The following listing shows the disposition of general provisions as proposed by the House. The Committee recommends inclusion of several proposals recommended by the House as well as provisions which have been incorporated in previous appropriations acts but were not included by the House, provisions requested for inclusion by the Defense Department, and new provisions. Each is identified and discussed as necessary. The Committee recommendations are as follows:



Sec. 8001. Publicity/propaganda limitation.-Retains provision which is carried annually in the DOD appropriations act.

Sec. 8002. Compensation/employ of foreign nationals.-Retains House provision.

To ensure compliance with this provision, the Department is directed to report to the Committees on Appropriations of the House and Senate no later than March 15, 1995, the adjustments in pay for overseas civilian employees governed by the terms of this section. In countries where the local national government pay raise exceeds the level provided for U.S. workers, the Department also will report the additional costs associated with that increased pay amount.

Sec. 8003. Obligation rate of appropriations.-Retains provision limiting obligation of appropriations for only 1 year unless otherwise expressly provided.

Sec. 8004. Obligations in last 2 months of fiscal year.-Retains provision which controls end-of-year spending.

Sec. 8005. Transfers.-Retains House provision which provides transfer authority of \$2,000,000,000.

Sec. 8006. Working capital fund cash disbursements.-Retains.

Sec. 8007. Heating plants in Europe.-Retains House provision to allow for competition for heating plants at Ramstein and Landstuhl, Germany.

Sec. 8008. Special access programs notification.-Retains.

Sec. 8009. CHAMPUS pricing reform.-Retains provision from fiscal year 1994.

Sec. 8010. Multiyear procurement authority.-Recommendation agrees with the House to retain the multiyear procurement provision.

Sec. 8011. Humanitarian and civic assistance.-Retains provision allowing operation and maintenance funding to be used to transport civilian personnel at various Pacific locations to treatment facilities.

Sec. 8012. Base closures, native American tribes.-Deletes House provision on prioritizing native Americans for base closure purposes, and inserts the following:

Senate Sec. 8012. Native American corporations contracting.-Restores the fiscal year 1994 provision which prevents the Department of Defense from denying native American or Alaska Native corporations the opportunity to compete, as qualified small businesses, for and be awarded procurement contracts solely because the corporations are not the actual manufacturers or processors of the product to be supplied.

Sec. 8013. Civilian personnel ceilings.-Deletes the House provision and adds the following:

Senate Sec. 8013. Overseas civilian work-years.-Restores and amends a fiscal year 1994 provision which limits the number of civilian work-years that DOD may fund outside the United States and its territories.

Sec. 8014. Lobbying.-Retains.

Sec. 8015. Technicians.-Retains.

Sec. 8016. Technicians, 60 years old.-Retains.

Sec. 8017. Army central hospital fund (Fisher House).-Amends House provision to have it apply to fiscal year 1995 only.

Sec. 8018. Educational benefits and bonuses.-Retains.

Sec. 8019. Tuition assistance, Ready Reserve.-Retains.

Sec. 8020. Organizational analysis/contracting out.-Retains.

Sec. 8021. Automated information systems/composite health care system.-Strikes House provision and inserts the following:

Senate Sec. 8021. Mentor-Protege Program.-Restores provision from fiscal year 1994 as requested.

Sec. 8022. Auxiliary minesweepers.-Amends House provision regarding lease of auxiliary minesweepers and adds prohibition on disestablishing Navy Reserve COOP.

Sec. 8023. Supercomputers.-Amends provision deleting requirement to fund facilities at the U.S. Army Engineer's waterways experiment station. Retains proviso forbidding purchase of foreign-manufactured supercomputers unless the Secretary of Defense certifies capability is needed for national security purposes.

Sec. 8024. Program, project, activity [PPA] definition.-Retains provision which defines PPA's for purpose of sequester and requires submission of O-1 document.

Sec. 8025. Reserve component automation system.-Deletes House provision earmarking funds for the RCAS and mandating other limitations and adds the following:

Senate Sec. 8025. Indian Financing Act incentives.-Restores provision making available incentive payments.

Sec. 8026. Anchor chains.-Deletes House buy America provision and adds the following:

Senate Sec. 8026. 9mm handgun.-Restores and amends the fiscal year 1994 provision which prohibits the Department of Defense from purchasing any handguns other than the standard M9 9mm handgun other than for special operations forces or for competitive marksmanship participants.

Sec. 8027. Technicians/medical reprogramming.-Retains House provision.

Sec. 8028. Interport differential.-Retains provision requiring calculation of total costs for ship overhaul competition.

Sec. 8029. CHAMPUS mental health benefits.-Retains.

Sec. 8030. Navy Reserve Command/data center consolidation.-Deletes new House provision and inserts the following:

Senate Sec. 8030. Security locks.-Restores provision directing the Department to replace, in certain circumstances, old security locks with locks that meet current GSA and DOD specifications.

Sec. 8031. POW/MIA family travel.-Retains.

Sec. 8032. Navy personnel.-Deletes House provision which denies consolidation or relocation of several activities in New Orleans and adds the following:

Senate Sec. 8032. American Samoa transfer.-Restores and amends provision in fiscal year 1994 act to provide for transportation of medical supplies to American Samoa and for native Americans.

Sec. 8033. Residual value negotiations.-Retains.

Sec. 8034. Demilitarization of surplus firearms.-Retains provision which prohibits use of funds to demilitarize or dispose of more than 310,784 unserviceable M-1 Garand rifles and M-1 carbines.

Sec. 8035. Selective reenlistment bonus.-Retains.

Sec. 8036. Supervisor's grade.-Retains.

Sec. 8037. Mental health demonstration project.-Retains.

Sec. 8038. Wound research-cats.-Retains.

Sec. 8039. Trauma research-dogs.-Retains provision.

Sec. 8040. Base closure/realignment plan.-Retains.

Sec. 8041. Washington, DC, area.-Deletes House provision and adds the following:

Senate Sec. 8041. Local hire in noncontiguous States.-Restores provision regarding high unemployment in noncontiguous States.

Sec. 8042. Military leave.-Retains.

Sec. 8043. A-76 studies.-Retains.

Sec. 8044. Armed Forces Information Service.-Retains.

Sec. 8045. Wage rate-civilian health.-Retains.

Sec. 8046. Civil Air Patrol.-Retains and modifies amounts earmarked.

Sec. 8047. WC-130 weather reconnaissance.-Retains.

Sec. 8048. Workshops for the blind and handicapped.-Retains.

Sec. 8049. CHAMPUS coordination of benefits.-Retains.

Sec. 8050. Multibeam sonar mapping systems.-Deletes the House provision and adds the following:

Senate Sec. 8050. ALR-67(V)3.-Recommends new provision which restricts obligation of funds for the AN/ALR-67(V)3 until certain conditions are met.

Sec. 8051. Landsat.-Retains House provision which repeals fiscal year 1994 provision.

Sec. 8052. CHAMPUS disabled care.-Amends House provision making it applicable only to fiscal year 1995.

Sec. 8053. Burdensharing.-Retains.

Sec. 8054. Federally funded research and development centers [FFRDC's]/consultants.-Amends House language regarding FFRDC's. Language is added to cap total DOD spending on FFRDC's at \$1,300,000,000, restrict FFRDC executive compensation and for other purposes.

Sec. 8055. Carbon, alloy, or armor steel plate.-Deletes the House provision and adds the following:

Senate Sec. 8055. National defense stockpile funding for research, development, test, and evaluation [RDT&E] activities.-Restores provision which essentially repeats language in the fiscal year 1994 act preventing use of unobligated balances in the stockpile transaction fund to finance RDT&E for development or production of advanced materials unless amounts for such purposes are specifically appropriated in a subsequent appropriations act.

Sec. 8056. Congressional defense committees-definition.--Retains.

Sec. 8057. Depot maintenance competition.-Retains.

Sec. 8058. Reciprocal trade agreements.-Deletes the House provision which requires the Secretary of Defense to rescind the service Secretary's authority to waive the Buy American Act when a foreign country has discriminated against certain types of products produced in the United States and adds the following:

Senate Sec. 8058. Alcoholic beverages.-Restores provision from fiscal year 1994 about buying alcohol locally.

Sec. 8059. Hamilton cleanup.-Retains the House provision.

Sec. 8060. Operation DS/DS debt waivers.-Retains.

Sec. 8061. Energy savings.-Retains House provision.

Sec. 8062. VSI fund.-Amends House provision to apply only to fiscal year 1995.

Sec. 8063. Nonexcess property leases.-Retains.

Sec. 8064. Chromite and manganese ore, buy American.-Deletes the House provision and adds the following:

Senate Sec. 8064. Defense technology and industrial base analyses.-Restores language requiring that any analysis of the impacts on the defense technology and industrial base of terminations or significant reductions of major research and development and procurement programs of the Department of Defense address only those actions recommended by the Defense Department in its annual budget request, supplemental requests, or proposed rescissions.

Sec. 8065. Chemical weapons studies.-Retains.

Sec. 8066. Quarters allowance.-Retains.

Sec. 8067. Uniformed services treatment facilities.-Amends House provision establishing payment to USTF facilities lowering the total amount payable.

Sec. 8068. Tailhook.-Retains House provision which denies use of funds to support Tailhook.

Sec. 8069. Administrative costs.-Retains provision on identifying administrative costs in the budget.

Sec. 8070. GWEN.-Retains provision prohibiting funding for GWEN.

Sec. 8071. Naval shipyard eligibility for manufacturing technology extension program funds.-Retains language making all naval public shipyards eligible to participate in any manufacturing extension program.

Sec. 8072. O/S military facility investment recovery.-Retains House provision.

Sec. 8073. Reserve personnel transition pay.-Amends House provision on Reserve transition pay making it apply only to fiscal year 1995.

Sec. 8074. 116th Fighter Wing relocation.-Deletes House provision which would deny use of funds to relocate or reconfigure Air Force wing and adds the following:

Senate Sec. 8074. NATO headquarters costs.-Adds language setting ceiling on U.S. funding for NATO headquarters operations.

Sec. 8075. Aircraft fuel cells, buy American.-Deletes House provision mandating purchase of only U.S. aircraft fuel cells and adds the following:

Senate Sec. 8075. B-2 depot maintenance.-Restores language from fiscal year 1994 denying funds to establish or support organic depot maintenance activities in DOD to support B-2 Program until a report requested last year is provided to Congress.

Sec. 8076. O&M purchase thresholds.-Retains House provision which raises item purchase threshold from \$25,000 to \$50,000.

Sec. 8077. Early retirement.-Amends House provision allowing payment of early retirement benefits from Military personnel accounts.

Sec. 8078. DBOF/investment item.-Retains House provision.

Sec. 8079. Modification restrictions.-Amends provision with a technical correction. Provision disallows funds to modify any equipment scheduled to be retired within 5 years unless Secretary of military department stipulates need.

Sec. 8080. Reprogramming instructions.-Retains annual provision on reprogramming guidance.

Sec. 8081. Intelligence personnel.-Deletes House provision requiring 4-percent reduction and adds the following:

Senate Sec. 8081. Army Reserve components financing.-Recommend adding language to appropriate \$97,000,000 to prior year Army Guard and Reserve appropriations to cover outstanding bills.

Sec. 8082. CIA reserve for contingencies.-Retains provision prohibiting funds for any individual transferring funds into CIA reserve.

Sec. 8083. CIA funding limitation.-Retains provision which limits obligations of CIA funds except for reserve for contingencies.

Sec. 8084. Classified annex.-Retains provision incorporating classified annex into law.

Sec. 8085. GDIP CI system.-Retains House provision which allows GDIP funds to be used for designing a communications and intelligence system and adds the following:

Sec. 8086. DMA relocation.-Deletes House provision which prohibits planning or moving functions from St. Louis DMA center and adds the following:

Senate Sec. 8086. CHAMPUS peer review organization.-Restores provision from fiscal year 1994 which establishes payment criteria and utilization review requirements.

Sec. 8087. NATO airborne warning and control system [AWACS] payments.-Retains language as requested making available to the Air Force, instead of the U.S. Treasury general fund, funds paid to the United States by the NATO allies for participation in the AWACS Radar System Improvement Program.

Sec. 8088. Transportation of chemical weapons.-Retains House provision which prohibits the expenditure of funds by the Department of Defense to transport any additional chemical weapons to Johnston Atoll after the completion of the European Retrograde Program. The general provision affirms assurances by the Secretary of Defense that Johnston Atoll would not become a repository for the destruction of all U.S. chemical weapons. Waivers have been included in this provision which will allow the transportation of chemical weapons discovered in the Pacific region and further grants the President waiver authority in time of war.

Sec. 8089. Shipbuilding claims.-Retains new House provision to allow for payment of validated Navy claims.

Sec. 8090. High-performance computing.-Replaces House language requiring full and open competition to be used in awarding all appropriated High-Performance Computing Modernization Program funds.

Sec. 8091. Army National Science Center.-Retains language as proposed to allow for use of funds by the center.

Sec. 8092. Arms control R&D report.-Retains House provision which requires submission of report on arms control implementation, monitoring, and verification costs.

Sec. 8093. Lifeboat procurement.-Deletes House language which requires purchase of American-made lifeboat and adds the following:

Senate Sec. 8093. Medical commanders.-Restores fiscal year 1994 provision which requires military medical commanders to have administrative experience.

Sec. 8094. Buy American Act.-Deletes House language regarding Buy America Act of 1933, fraudulent labeling, debarment and suspension, and adds the following provision:

Senate Sec. 8094. Indian tribes environmental impact.-Provides \$8,000,000 for the mitigation of environmental impacts resulting from military operations on or near Indian lands.

Sec. 8095. U.S. coal.-Retains House provision.

Sec. 8096. Technology reinvestment project.-Amends House provision which stipulates that all defense conversion technology reinvestment projects are subject to competition and other provisions of chapter 148, 10 U.S.C. New language requires the service acquisition executives to certify Technology Reinvestment Program [TRP] projects and permits the services to designate areas of competition for a portion of the 1995 TRP funds.

Sec. 8097. SURTASS.-Deletes House provision which prevents improving SURTASS surveillance system capabilities unless a particular signals processor is used, and adds the following:

Senate Sec. 8097. Non-FFRDC master plan.-Adds a provision which requires the submission of a management, funding, and manpower master plan for major nonprofit non-FFRDC laboratories and institutions engaged in defense research and development.

Sec. 8098. Competition for consultants and studies programs.-Retains provision as requested by DOD which requires competition for consulting services, studies, and analyses.

Sec. 8099. USH-42 mission recorders.-Deletes House provision requiring Secretary of the Navy to purchase mission recorders for S-3 aircraft and adds the following:

Senate Sec. 8099. Shipbuilding transfers.-Restores and amends provision from fiscal year 1994 act to reallocate prior-year shipbuilding funds to cover unanticipated cost increases.

Sec. 8100. Funding for Bosnia.-Retains House provision expressing the sense of the Congress regarding payment of costs to support United States forces in Bosnia.

Sec. 8101. Energy Savings transfer.-Deletes House provision, as requested, allowing reallocation of energy savings and adds the following:

Senate Sec. 8101. Bomber force structure.-Inserts new provision restricting the obligation of funds for upgrading and modifying bombers until the Secretary of Defense reports to the Congress the results of a cost and operational effectiveness study on Air Force bombers. This issue is also addressed in title III of this report.

Sec. 8102. Intelligence authorization.-Retains House provision.

Sec. 8103. Peacekeeping operations.-Deletes House provision governing peacekeeping operations and adds the following:

Senate Sec. 8103. Arms Control Treaty payments.-Adds a new provision governing payment by the United States of certain arms control treaty costs which are the responsibility of other nations.

Sec. 8104. International sporting competitions.-Deletes House provision which would consolidate all funding for sport competitions and adds the following:

Senate Sec. 8104. Travel regulations.-The Committee recommends a new provision which directs that Alaska and Hawaii be considered domestic travel, instead of overseas travel.

Sec. 8105. Purchase of RRF vessels.-Deletes House provision, moving language to the national defense sealift fund appropriation and adds the following:

Senate Sec. 8105. Barber's Point P-3 squadrons.-Restores language included in the fiscal year 1994 act requiring that any relocation of the P-3 squadrons stationed at Barber's Point, HI, P-3 be relocated only to those locations that were specifically identified in the base closure report.

Sec. 8106. Titan IV launch vehicles.-Deletes the House provision prohibiting the obligation of any funds for the Titan IV launch vehicle with exceptions and adds the following:

Senate Sec. 8106. Separation benefits.-Restores and amends language included in the fiscal year 1994 act which denies payment of both separation benefits and retention bonuses to individuals in the military. Prohibits payment of separation bonuses to civilian employees of DOD that obtain other Federal employment within 180 days of separation from DOD, and payment of incentives to military who obtain civil service employment with DOD within 180 days of separation from the military.

Sec. 8107. Naval Reserve information systems funding.-Deletes House provision mandating the expenditure of funds for specific Naval Reserve information systems and adds the following:

Senate Sec. 8107. Civil military relations.-Earmarks \$5,000,000 for the Assistant Secretary of Defense for Reserve Affairs to take advantage of emergent opportunities for civil-military cooperation.

Sec. 8108. Field operating agencies.-Deletes House provision restricting field operating agencies employee levels and adds the following:

Senate Sec. 8108. War college joint training.-Adds a provision that requires war college resident classes to include not less than 20 percent of U.S. military students from other than the hosting military department.

Sec. 8109. DDG-51/LHD-1 obligation restrictions.-Deletes House provision tying obligation of certain Navy ship contracts to sealift program and adds the following:

Senate Sec. 8109. Gatling gun maintenance competition.-The Committee recommends a new general provision requiring the Secretary of the Air Force to compete maintenance workload on M61 Gatling guns.

Sec. 8110. Ceramic package products.-Deletes the House provision prohibiting the purchase of certain ceramic products by the Department of Defense unless they are produced or manufactured in the United States and adds the following:

Senate Sec. 8110. Zinc sales.-The Committee recommends a new general provision that prohibits the sale of zinc from the national defense stockpile if the price of zinc on the world market falls more than 5 percent below the levels on the date of enactment of this bill. The Committee is concerned that excessive sales of zinc from the stockpile has driven market prices downward, to the detriment of the commercial market. The Committee supports the appropriate, managed sale of commodities from the stockpile, to minimize the costs of maintaining reserves no longer required for defense needs. Such sales should not devastate the domestic mining industry, and the Committee expects the Secretary to monitor all such sales, to ensure that these transaction are not in conflict with national economic interests.

Sec. 8111. EA-6B Aircraft Program.-Deletes House provision regarding EA- 6B upgrades and adds the following:

Senate Sec. 8111. Puget Sound Naval Air Station.-The Committee adds a new provision directing the Secretary of the Navy to reimburse validated cost claims submitted by the Muckelshoot Indian Tribe.

Sec. 8112. Rongelap resettlement trust fund.-Retains.

Sec. 8113. Sustaining base information system.-Deletes the House provision prohibiting the obligation of funds for the sustaining base information system unless the Assistant Secretary of Defense for Command, Control, Communication, and Intelligence completes certain requirements and adds the following:

Senate Sec. 8113. Cameron Station.-The Committee includes a new general provision which limits the ability of national agencies to make claims on Department of Defense lands subject to base closure proceedings. In particular, the provision references closure and community reuse activities at Cameron Station military base in Virginia.

Sec. 8114. Automated document conversions.-Deletes the House provision which directs the Assistant Secretary of Defense for Command, Control, Communication, and Intelligence to establish and implement a master plan for automatic document conversion systems; further restrict funds for the development of automatic document conversion systems; and mandates that \$30,000,000 shall be used only to integrate the automated document conversion system in the joint engineering data management and information control system and adds the following:

Senate Sec. 8114. Military retiree COLA.-The Committee recommends a new provision which would advance the payment of the cost-of-living adjustment for military retirees in 1995 to the same time as the adjustment for civilian retirees.

Sec. 8115. Propellers and ship shafts.-Deletes House buy American provision and adds the following:



Senate Sec. 8115. Coast Guard pay raise.-Adds funds to provide for a pay raise of 2.6 percent for the U.S. Coast Guard.

Sec. 8116. SPS-48E radar.-Deletes the House provision transferring \$22,200,000 of prior-year funds to the "Research, development, test and evaluation, Navy" appropriations account for the SPS-48E radar program and adds the following:

Senate Sec. 8116. Impact aid.-As discussed elsewhere in this report, a provision is recommended to provide \$119,000,000 in impact aid.

Sec. 8117. CRI contracts.-Deletes House provision settling contract start dates and adds the following:

Senate Sec. 8117. Executive compensation.-The Committee recommends a new provision limiting executive compensation. This issue is addressed in the overview at the beginning of the Committee report.

Sec. 8118. Uniformed Services University of the Health Sciences.-Deletes House provision terminating USUHS.

Sec. 8119. Active Matrix Liquid Crystal Displays.-Deletes House provision restricting the procurement of active matrix liquid crystal displays to American sources.

Sec. 8120. 120mm mortar procurement.-Retains.

Sec. 8121. R&D management support.-Deletes provision added on House floor reducing R&D funding.

## TITLE IX

### FISCAL YEAR 1994 SUPPLEMENTAL APPROPRIATIONS

#### MANAGEMENT FUNDS

#### EMERGENCY RESPONSE FUND

#### REFUGEE RELIEF IN RWANDA

The Committee recommends \$170,000,000 in fiscal year 1994 supplemental appropriations to assist in humanitarian relief efforts for refugees of hostilities in Rwanda. The sudden influx of massive numbers of refugees, consisting of millions of people into Goma, Zaire, and other locations bordering Rwanda has created a crisis requiring immediate response. Only the United States has the airlift and logistical capability, as well as recent experience in this type of operation in Iraq and Bosnia, to provide the necessary relief. The appropriations are required for humanitarian assistance and logistics support to establish and operate airport services at Goma and other locations; provide fuel, logistics support, and maintenance of vehicles and equipment for distribution of water, food supplies, and medical items; establish and operate an air distribution facility in Uganda, or another suitable location, for the collection, storage, and forward movement of relief supplies; transport supplies and equipment; provision of safe water; and to deploy and sustain approximately 4,000 United States troops.

While fully supporting this operation, the Committee is, nevertheless, concerned about the lack of burdensharing among the international community, excepting the French. Second, while the Committee fully supports the refugee relief mission, it does not support expanding that mission to security or peacemaking between the warring factions of Rwanda. Therefore, it opposes introducing United States forces into Rwanda until the security situation is stabilized there by the peacekeeping organization tasked by the United Nations to do so, UNAMIR. The administration is also required to report by September 1, 1994, on its efforts to widen the net of donor nations and international organizations so the burden is more equitably shared-in money, personnel, and resources. The language would terminate our aid and presence by October 1, 1994, unless the

administration requests, and Congress approves, an extension. It is hoped that, by that time, additional relief operations that might be needed can be taken over by other donor nations and organizations.

The United States has acted mainly alone in providing this expanded humanitarian effort in Rwanda due to the need for a timely response. In the normal course of events, this effort should be organized and run by the United Nations. The Committee believes, therefore, that the administration should insist that the United Nations credit the \$170,000,000 herein recommended, in addition to any funds that are contributed by the State Department in the context of the action on the Foreign Operations appropriations bill for fiscal year 1995, against the past due assessments of the United States to the United Nations.

#### COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

At the point when the Committee reports this measure, the Congress has not completed action on the Fiscal Year 1995 Defense Authorization Act. As a consequence, the Committee has acted in good faith in its attempt to comply fully with requirements stipulated under paragraph 7, rule XVI.

The Committee anticipates that Congress will authorize the amounts appropriated in this act.

The Committee recommended bill is approximately \$1,000,000,000 below the amounts authorized by the Senate for DOD. However, a strict constructionist might view three accounts as over authorization. These are "Real property maintenance, defense", \$500,000,000, "National Guard and Reserve equipment", \$952,000,000, and "Research, development, test and evaluation, Army", \$5,304,329,000.

In addition, the Committee has agreed to the House recommendation which reallocates funds authorized for ammunition into separate appropriations. These are "Procurement of ammunition, Navy and Marine Corps", \$432,815,000, and "Procurement of ammunition, Air Force", \$283,173,000.

Under title IX, the Committee recommends fiscal year 1994 supplemental appropriations for emergency response fund, \$170,000,000.

#### COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the accompanying bill was ordered reported from the Committee, subject to amendment and subject to the subcommittee allocation, by recorded vote of 29-0.

#### COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

Section 8051 would repeal section 8060 of the Department of Defense Appropriations Act, 1994 (Public Law 103-139). The provision recommended for repeal is as follows:

[Sec. 8060. During the current fiscal year, and thereafter, notwithstanding any other provision of law, the Department of Defense is hereby authorized to develop and procure the Landsat 7 vehicles.]